gress, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of National Corps, Army and Navy Union, for increase of pay to officers and enlisted men of the Army and Navy—to the Committee on Military Affairs.

By Mr. GRAHAM: Petition of American Institute of Electrical Engineers, for preservation of forests in behalf of water power—to the Committee on Agriculture.

Also, petition of a citizen of Harrisburg and J. and W. Lyall, favoring H. R. 11562 and S. 2652, for recovery to the Stevens Institute of Technology of $45,750 paid into the United States Treasury on January 28, 1870—to the Committee on Claims.

Also, paper to accompany bill for relief of John W. Zoerb—to the Committee on Claims.

Also, petition of United Engineering and Foundry Company and Automobile Club of Pittsburg, for H. R. 428, granting automobile tourists a national license—to the Committee on the Judiciary.

By Mr. HAYES: Paper to accompany bill for relief of John H. Sain—to the Committee on Invalid Pensions.

By Mr. HILL of Connecticut: Petition of Bridgeport Typographical Union for removal of duty on white paper—to the Committee on Ways and Means.

By Mr. HINSHAW: Petition of Baker Post, No. 9, Grand Army of the Republic, of Columbus, Kans., for H. R. 13261, increasing pensions for widows of civil and Mexican war soldiers—to the Committee on Invalid Pensions.

By Mr. HOWELL of New Jersey: Petition of Local Union No. 323, Allied Printing Trades, of Hoboken, N. J., for removal of duty on white paper—to the Committee on Ways and Means.

By Mr. HUBBARD of West Virginia: Paper to accompany bill for relief of Charles E. Strother (previously referred to the Committee on Invalid Pensions)—to the Committee on Pensions.

By Mr. ADDISON D. JAMES: Paper to accompany bill for relief of Joseph Dobson—to the Committee on Military Affairs.

Also, paper to accompany bill for relief of John F. Johnson—to the Committee on War Claims.

Also, paper to accompany bill for relief of Fannie C. Poynter—to the Committee on War Claims.

Also, paper to accompany bill for relief of Enoch M. Brown—to the Committee on Invalid Pensions.

By Mr. KAHN: Petition of James A. Garfield Post, No. 34, Grand Army of the Republic, of San Francisco, for pensions of $40 per month for veterans of the civil war—to the Committee on Military Affairs.

Also, petition of Gantner & Mattern Company, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of San Francisco Commercial Travelers' Association, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of H. E. Baker, of San Francisco, Cal., favoring exclusion of all Asiatics—to the Committee on Immigration and Naturalization.

By Mr. KELIHER: Petition of American Institute of Electrical Engineers, for forest preservation in behalf of water power—to the Committee on Agriculture.

By Mr. KNOWLAND: Petition of Commercial Travelers' Congress, against parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. LEWIS: Paper to accompany bill for relief of heirs of C. M. Lucas—to the Committee on War Claims.

Also, paper to accompany bill for relief of Lewis F. Hicks—to the Committee on War Claims.

By Mr. LINDSAY: Petition of Government Townsite Protective Association of Oklahoma, for Congressional investigation of the Segregated Coal Land Settlers' Association of Oklahoma—to the Committee on the Public Lands.

Also, petition of Alumni Association of the New York Nautical School and William Kulmle, against detaching officers of the Navy from duty as superintendents of the nautical school—to the Committee on Naval Affairs.

Also, petition of Commercial Travelers' Congress, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of American Institute of Electrical Engineers, for preservation of forests—to the Committee on Agriculture.

Also, petition of Homeopathic Medical Society of New York, asking for favorable action on H. R. 6089, relative to pharmacopœia of the homeopathic schools—to the Committee on Agriculture.

By Mr. LOUDENSLAGER: Petition of Presbytery of West Jersey, for the Littlefield original-package bill—to the Committee on the Judiciary.

By Mr. McKINNEY: Petition of American Institute of Electrical Engineers, for forest preservation in behalf of water power—to the Committee on Agriculture.

By Mr. MOON of Tennessee: Paper to accompany bill for relief of William F. Anderson—to the Committee on Invalid Pensions.

By Mr. NYE: Petition of Rev. H. P. Grimsby, of Minneapolis, for the Littlefield bill, to prohibit shipment of liquor into prohibition States—to the Committee on the Judiciary.

By Mr. OLCOTT: Paper to accompany bill for relief of Philippine Stelzle—to the Committee on Invalid Pensions.

By Mr. OVERSTREET: Petition of Nordyke & Marmon Company, favoring H. R. 428, providing for national registration of automobiles—to the Committee on the Judiciary.

By Mr. PAGE: Paper to accompany bill for relief of Samuel S. Hunter—to the Committee on Invalid Pensions.

By Mr. PETERS: Petition of Boston customs-house clerks, for increase of salaries—to the Committee on Ways and Means.

By Mr. RIORDAN: Petition of American Institute of Electrical Engineers, for forest preservation as protection to water power—to the Committee on Agriculture.

By Mr. SHACKLEFORD: Petitions of Central Labor Union and Bartenders' Local No. 531, of Jefferson City, Mo., favoring Government ownership of telegraph lines—to the Committee on the Post-Office and Post-Roads.

Also, petition of Jefferson City Typographical Union, for removal of duty on white paper—to the Committee on Ways and Means.

Also, petitions of Central Labor Union and Bartenders' Local No. 531, of Jefferson City, Mo., for removal of Charles A. Stillings from the office of Public Printer—to the Committee on Printing.

By Mr. STEPHENS of Texas: Paper to accompany bill for relief of Martha F. Arnold—to the Committee on War Claims.

By Mr. WANGER: Petition of American Institute of Electrical Engineers, for forest preservation in behalf of water power—to the Committee on Agriculture.

By Mr. WEEKS: Petition of William Emery and others of Milford, Mass., for a volunteer officers' retired list—to the Committee on Military Affairs.

By Mr. WOOD: Petition of American Institute of Electrical Engineers, for preservation of forests in behalf of water power—to the Committee on Agriculture.

Also, petition of New Jersey Chapter of the American Institute of Architects, against change of present location of the Grant Monument—to the Committee on the Library.

By Mr. WOODYARD: Petition of Andrew Mather Post, No. 14, Grand Army of the Republic, for legislation granting every Union soldier of the civil war a pension of $30 per month—to the Committee on Invalid Pensions.

HOUSE OF REPRESENTATIVES.

FRIDAY, *January 24, 1908.*

The House met at 12 o'clock noon.

Prayer by the Chaplain, Rev. HENRY N. COUDEN, D. D.

The Journal of the proceedings of yesterday was read and approved.

SITTING OF UNITED STATES CIRCUIT AND DISTRICT COURTS IN GAINESVILLE, FLA.

Mr. CLARK of Florida. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 14779) to transfer the county of Alachua, in the State of Florida, from the southern to the northern judicial district of that State and to provide for sittings of the United States circuit and district courts for the northern district of Florida at the city of Gainesville, in said district.

The Clerk read the bill, as follows:

Be it enacted, etc., That the county of Alachua, in the State of Florida, which is now in the southern judicial district of said State, be, and the same is hereby, transferred to and made a part of the northern judicial district of said State.

SEC. 2. That all causes, civil and criminal, which arose in said county of Alachua and which are now pending in the courts of said southern judicial district of Florida shall remain and be disposed of in said courts, and all persons who have committed offenses against the United States in said county shall be prosecuted and tried as though this act had not been passed.

SEC. 3. That there shall be held at the city of Gainesville, in the said county of Alachua, terms of both circuit and district courts for said northern district of Florida on the first Monday in May and on the first Monday in December of each year.

SEC. 4. That suitable rooms and accommodations shall be furnished for holding said courts free of expense to the Government of the United States until such time as a Federal building shall be prepared for that purpose in said city of Gainesville, in the State of Florida.

Mr. PAYNE. Mr. Speaker, reserving the right to object, I want to ask how many places there are in this district where they hold the United States court now?

Mr. CLARK of Florida. Only two, one at Pensacola and the other at Tallahassee.

Mr. PAYNE. And those are in the western part of the district?

Mr. CLARK of Florida. Yes.

Mr. PAYNE. And this is in the eastern part?

The SPEAKER. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. CLARK of Florida, a motion to reconsider the last vote was laid on the table.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. CROCKETT, its reading clerk, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 3344. An act extending to the subport of Knights Key, in the State of Florida, the privileges of the seventh section of the act approved June 10, 1880, governing the immediate transportation of dutiable merchandise without appraisement.

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 3344. An act extending to the subport of Knights Key, in the State of Florida, the privileges of the seventh section of the act approved June 10, 1880, governing the immediate transportation of dutiable merchandise without appraisement—to the Committee on Ways and Means.

ADJOURNMENT OVER.

Mr. PAYNE. Mr. Speaker, I move that when the House adjourn to-day it adjourn to meet on Monday next.

The motion was agreed to.

ORDER OF BUSINESS.

Mr. LIVINGSTON. Mr. Speaker, I ask for the regular order.

Mr. PAYNE. The gentleman from Georgia asks for the regular order, and that would bring up pension bills.

Mr. LIVINGSTON. I will withdraw the demand for the regular order, Mr. Speaker.

Mr. SULLOWAY. Mr. Speaker, I ask unanimous consent that bills on the Private Calendar in order for to-day may be taken up on the next legislative day following the passage of the urgent deficiency bill under consideration.

Mr. PAYNE. I would suggest to the gentleman from New Hampshire that his request ought not to interfere with District day.

Mr. SULLOWAY. Then I will modify my request by saying after Monday next.

The SPEAKER. The gentleman from New Hampshire asks unanimous consent that the day following the completion of the urgent deficiency bill, unless it shall be District day, and then it shall be on the day following District day, be given to the consideration of bills on the Private Calendar in order to-day. Is there objection?

There was no objection.

REPRINT OF HOUSE DOCUMENT.

Mr. KEIFER. Mr. Speaker, I ask unanimous consent for the reprint of House Document 352 at this session, which consists of a letter from the Secretary of the Interior on the proposed consolidation of the pension agencies, written in response to a provision in the pension appropriation bill passed in the last Congress.

Mr. STEENERSON. Mr. Speaker, I object to this, because there is a law that gives authority to the Clerk to order these documents where they are not more than 50 pages.

Mr. KEIFER. I have not so understood. I may say that this print is entirely exhausted now, and we want it for immediate work before the Appropriation Committee.

The SPEAKER. The Chair understands the gentleman from Minnesota to object on the ground that the law now authorizes a reprint.

Mr. STEENERSON. I will withdraw the objection.

The SPEAKER. Without objection, the request will be granted.

There was no objection.

RECEIVING MESSAGE FROM SENATE WHEN SENATE IS NOT IN SESSION.

Mr. BARTLETT of Georgia. Mr. Speaker, I rise to a question of parliamentary inquiry and, incidentally, a point of order.

The SPEAKER. The gentleman will state it.

Mr. BARTLETT of Georgia. Mr. Speaker, the Senate has just sent a communication to the House, and I desire to inquire whether the House can receive the communication from the Senate when the Senate is not in session. I see by the RECORD this morning that the Senate yesterday adjourned over until Monday morning next, and I suggest, Mr. Speaker, that to have the message from the Senate put upon the records and the Journals of the House when the Senate is not in session would not be in order.

The SPEAKER. Strictly speaking, under parliamentary law, as adopted by the rules of the House, which include Jefferson's Manual, the message could not be received; but it was received, and the point of order was not made, and the Chair had no knowledge—and I don't know that the House had any knowledge—that the Senate had adjourned over.

Mr. BARTLETT of Georgia. The House had knowledge from the fact that it is printed in the RECORD of this morning.

The SPEAKER. Well, I suppose the RECORD might after all be accepted as evidence, though the Journal evidences the action of the Senate and of the House. Let that be as it may, it seems to the Chair that the point comes too late. While it is contrary to the rules of the House, yet so far as the Chair recollects or is advised, it is not so contrary that it would invalidate the proceedings of the House. It violates the rules, but not the law, as the Chair understands it.

Mr. BARTLETT of Georgia. Mr. Speaker, just a word. I understand the rule very well and the law that the proceedings of both houses are governed entirely by their Journals. If a question should arise in a court, no inquiry could go beyond the facts appearing upon the Journal of each House, and if any question should arise in any judicial inquiry which might be made to this bill—I do not know what it is—it will appear from the Journal of the Senate that the message from the Senate was sent to the House when the Senate was not in session, but after it had adjourned from yesterday over until Monday, so that any inquiry into the facts would be governed by the Journal and the Journal of the Senate would show the fact as I state.

The SPEAKER. The Chair apprehends that if the point had been made before the message was received, means could have been taken to ascertain about the adjournment of the Senate.

URGENT DEFICIENCY APPROPRIATION BILL.

Mr. TAWNEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the urgent deficiency appropriation bill.

The motion was agreed to.

Accordingly, the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 14766), the urgent deficiency appropriation bill, with Mr. LAWRENCE in the chair.

Mr. TAWNEY. Mr. Chairman, I yield fifteen minutes to the gentleman from Pennsylvania [Mr. OLMSTED].

Mr. OLMSTED. Mr. Chairman, this bill making appropriations for urgent deficiencies in prior appropriation bills is the result, I have no doubt, of the careful, conscientious, and painstaking labor of the Committee on Appropriations. In general it has been fully explained by the distinguished chairman of that committee. But, nestled in its bosom, there is one provision which has not been explained, and concerning which I desire to make a few remarks at this time, as I may not be here when it is reached on the second reading under the five-minute rule. I refer to the last paragraph on page 8. First, I will call attention to the fact that in the act of June 30, 1906, the sundry civil appropriation bill, found on page 759 of volume 34, part 1, of the Statutes at Large, appears this provision:

> For the purchase from Prof. Francis N. Thorpe of the manuscript for a new edition of Charters, Constitutions, and Organic Laws of all the States, Territories, and colonies now or heretofore forming the United States, and any acts of Congress relating thereto, prepared by him, $10,000: *Provided*, That he shall prepare a complete index of the work and do all proof reading in connection with the preparation, printing, and publication thereof, and the Public Printer shall print and bind 6,000 copies of the work, of which 2,000 copies shall be for the use of the Senate and 4,000 copies for the use of the House of Representatives.

Now, Mr. Thorpe has done that work and presented his bill for the payment of the $10,000, but objection has been made by some party having some claim or alleging some claim against Mr. Thorpe, and payment has been held up. Therefore a pro-

ceeding in the nature of mandamus was instituted by Mr. Thorpe in the proper court in the District of Columbia. The Secretary of the Treasury has put in his answer and it is now up to the court to decide the matter. The paragraph in this bill to which I refer is as follows:

Charters, Constitutions, and Organic Laws: The Secretary of the Treasury is hereby directed to withhold payment of the sum of $10,000 appropriated by the act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1907, for the purchase of the manuscript of a new edition of Charters, Constitutions, and Organic Laws pending the approval of the Joint Committee on the Library, which is hereby authorized to pass upon the question of the completeness and accuracy of the work and to determine whether the manuscript submitted is the identical, specific manuscript which Congress agreed to buy and for whose purchase it appropriated $10,000.

In other words, here is a plain order that the Secretary of the Treasury shall not pay the money appropriated two years ago, in payment for the work which was thus authorized and which has been fully performed.

Now, in the first place it seems to me that this paragraph is not properly in this bill. It is not to supply any urgent deficiency, it is not to provide money under any appropriation whatever; on the contrary, it prohibits and forbids the payment of an appropriation heretofore made. But a very serious objection to this provision in my mind is that it is intended to usurp the function of the court, to take away from the court the right to decide a question now pending and at issue before it. That of itself ought to be a sufficient argument against this proposition. The House has no information as to the merits of it. Evidently the Committee on Appropriations has none, for I am unable to find in the printed report of the hearings before it that there was any hearing upon this question, and certainly if there was one the party most interested, Mr. Thorpe, was not present, not notified, and not heard. Mr. Thorpe is a prominent citizen of Pennsylvania, an expert of high standing, and a gentleman of undoubted integrity. His life work is practically bound up in this matter, and why it should not be paid for in accordance with the authorization of Congress contained in the act of 1906 is one of those things it is difficult to understand. Why should it be taken from the jurisdiction of the court to determine whether or not he has performed this work? Why should the Committee on the Library be substituted for the court? The Committee on the Library has no authority to compel the attendance of witnesses or the production of books and papers. It has none of the functions of a court. It could not properly obtain the evidence upon which to decide this question. Why not allow it to be decided by the court to which it has been taken in due course and where it is now at issue and pending awaiting decision? There is another point, Mr. Chairman, to which I wish to call attention now, and that is that the provision is not properly in this bill, that it is here in violation of one of the most important and most useful rules of the House, namely, Rule XXI, clause 2, which provides that:

No appropriation shall be reported in any general appropriation bill, or be in order as an amendment thereto, for any expenditure not previously authorized by law, unless in continuation of appropriations for such public works and objects as are already in progress—

Now this is the part to which I call your attention—

Nor shall any provision changing existing law be in order in any general appropriation bill, or in any amendment thereto.

Can it be doubted that this changes existing law? The existing law requires the payment of this appropriation. This proposed bill forbids it. The existing law authorizes the court to decide it. It does not authorize the Committee on the Library to decide the question at issue. This provision takes from the court the jurisdiction that it possesses under existing law and gives to the Committee on the Library authority which it does not possess under existing law. This paragraph does not appropriate any money at all, although it appears in an appropriation bill. It is stated in the printed report of the committee to be a limitation, but it is not a limitation upon any appropriation contained in this act. It substantially alters and changes the law passed two years ago in addition to changing existing law in the other particulars to which I have referred. I am calling attention to this matter so that my views upon this point of order may be before the Chair at such time as this provision is reached upon the second reading. I expect to be called away from the Chamber before it is reached, and if I am not here I shall ask a friend to make the point of order for me, and I have no doubt the provision will be ruled out upon that point of order.

Mr. TAWNEY. Mr. Chairman, I yield ten minutes to the gentleman from Iowa [Mr. DAWSON].

Mr. DAWSON. Mr. Chairman, I am very greatly obliged to my friend from Pennsylvania for bringing this subject to the attention of the House. This particular provision and the document to which it relates is one which is of personal interest to every Member of Congress. This document is to be a compilation of the charters, constitutions, and organic laws of all the States, Territories, and colonies now or heretofore forming the United States, and it is therefore of the deepest interest to every student of constitutional law that this document should be up to date, should be complete, and should be in every way a worthy publication. As the gentleman has said, in the sundry civil bill of last year an appropriation was made for the compilation of a new edition of these charters and constitutions. The only one which we now have is one prepared by Ben: Perley Poore some thirty years ago. That is now out of print and, besides, is incomplete on account of constitutional changes which have taken place since it was compiled and printed.

So the Congress of the United States provided for a new edition of charters and constitutions under this amendment in the sundry civil bill last year.

The manuscript which was submitted to the Public Printer in accordance with that provision was not a new edition of charters and constitutions, and most serious objections were made to its acceptance. This is shown by the fact that when the voucher in payment for that manuscript came to the Secretary of the Treasury he declined to pay the money under that appropriation, and in an official letter to Congress, which is embraced in Senate Document No. 85 of the present session, he stated to Congress that—

It appearing that questions of fact are involved which the Secretary of the Treasury is not authorized to determine, I have the honor to advise you that payment of the sum of $10,000, appropriated for the purchase of the manuscript for a new edition of Charters, Constitutions, and Organic Laws, from Prof. Francis N. Thorpe, will be withheld to await the approval of such committee, person, or persons as Congress may designate to pass upon the question of the completeness and accuracy of the work, if such approval shall be deemed necessary.

In accordance with the recommendation of the Secretary of the Treasury and as a matter of protection to this Government, and because it is to the interest of every Member of this House, that when that document is printed it shall be a complete and perfect document, the Committee on Appropriations, following the recommendation of the Secretary of the Treasury, has placed this item in this bill. It is there purely for the protection of the Government. It is an urgent matter, it seems to me, and is in its proper place in this urgent deficiency bill.

The gentleman from Pennsylvania [Mr. OLMSTED] has referred to the fact that the subject is now in the court. Alongside of the legal phase of this question it seems to me that this House ought to consider the practical phase of this question. How did it get into the court? It got into the court by an action brought by Professor Thrope to compel the Secretary of the Treasury, against his judgment, to pay this money to him for this manuscript. It seems to me, Mr. Chairman, that in the light of the facts, this House ought to follow the recommendation of the Secretary of the Treasury and withhold this payment until the merits of the publication are passed upon.

Mr. MANN. Will the gentleman yield for a question?

Mr. DAWSON. Just a moment. This provision simply withholds the appropriation until a competent committee has had opportunity to pass upon the merits of the proposition. It is not a real change of exising law, in my judgment; it is simply a safeguard thrown around existing law, an interpretation of existing law that was left out when the law was passed.

Mr. NORRIS. Will the gentleman yield now?

Mr. DAWSON. With pleasure.

Mr. NORRIS. I would like to ask the gentleman, if this matter is now in the courts, whether it would not be better to abide by the decision of the court, and let the court determine whether the man is entitled to the money or not?

Mr. DAWSON. I will say to my friend from Nebraska [Mr. NORRIS] that I am not sure that the court has jurisdiction over the question of the worth of this manuscript under the phraseology of the appropriation made last year.

Mr. NORRIS. What is the question, then, that is pending in the court if that is not it?

Mr. DAWSON. Professor Thorpe began a mandamus proceeding against the Secretary of the Treasury to force him, against his judgment, to pay the $10,000 carried in that bill.

Mr. NORRIS. Now, when this question is in the court, or if he has complied with the contract made by virtue of the law passed by Congress, the Treasurer will be required by the court to pay it. If he has not complied, he will not be required to pay it, and ought that not to be really the question to be determined and upon which both sides ought to be bound?

Mr. DAWSON. No, I think not, Mr. Chairman. There is one question involved in this which, in my judgment, may not properly get before the court. By the phraseology of the ap-

propriation which was made last year much was left to the good faith of the gentleman who was to prepare this manuscript. That is a question which can not be gone into in the court.

Mr. NORRIS. I presume the gentleman who is preparing the manuscript is doing it in accordance with the law that we have passed, is he not?

Mr. DAWSON. I will say in addition, to my friend from Nebraska [Mr. NORRIS]——

Mr. NORRIS. If he is doing that, if the gentleman will pardon me, then the question before the court will be whether he has complied with his part of it, and we ought to be willing to submit that question to the court rather than to a legislative body.

Mr. DAWSON. Mr. Chairman, I would like to ask my friend from Nebraska [Mr. NORRIS] this question: Is it not clearly within the province of this House in matters of this sort to determine upon the question as to what Congress had in mind when it made the appropriation?

Mr. NORRIS. I presume so. I presume we can arbitrarily refuse to appropriate the money; but it seems to me that all laws passed by Congress are construed by the courts. The court will put a construction on the laws that we pass. It is to the courts that all people ought to be allowed to go, and Congress ought to be willing to submit to and abide by the court's decision, and not use its own arbitrary power to refuse to pay when the court says that it ought to pay.

Mr. DAWSON. But, Mr. Chairman——

Mr. GARDNER of Michigan. Will the gentleman allow me?

Mr. DAWSON. Certainly.

Mr. GARDNER of Michigan. As I understand, it is not a refusal to pay the money so much as a refusal of the committee to say that the work has been properly done.

Mr. DAWSON. Certainly.

Mr. GARDNER of Michigan. Therefore it is not for the courts to say, but for the committee.

Mr. NORRIS. That would be a question before the courts.

Mr. DAWSON. The act as it was passed last year omitted, inadvertently no doubt, to designate any committee or person to pass upon that manuscript. That was an omission which perhaps should have been supplied, but inasmuch as it was not supplied it seems to me that it is only proper that the committee of the House should supply that omission, providing that the publication of this document shall not go forward until its accuracy is completely assured.

Mr. NORRIS. Oh, yes; but my friend must notice that before Congress supplied this omission a contract had been entered into with the person who has revised the work. Now, then, if we undertake, after this contract has been entered into, to ask him to do something which was not contemplated at the time we are doing some damage to the citizen when we undertake to prevent him from doing that which he had made the contract to do.

Mr. DAWSON. That is true, if it is an entire proceeding, and if he had gone along in good faith and carried out the conditions upon which the contract was based; but I want to say to my friend from Nebraska that the contract has not been carried out in good faith, and that the manuscript submitted in compliance with the provisions of the sundry civil bill was not the manuscript which was represented to the committees of Congress when the appropriation was made.

Mr. NORRIS. Let the courts decide on the question as to whether that is true. If it is true, the court will not give him the money.

Mr. DAWSON. But that is a phase of the matter which probably can not be developed and brought out in the court proceedings.

I have no desire for Congress to usurp the functions of any court, but this proposition can be stated in a nutshell: Congress intended to buy a certain manuscript, and appropriated money therefor. The manuscript submitted was not the manuscript which Congress intended to purchase. Furthermore, the manuscript submitted was incomplete and imperfect—in fact, at least three-fourths of the work consisted simply of leaves cut out of Poore's book, published thirty-eight years ago. Could that be called a new edition?

It seems to me that Congress is not only within its rights in seeking to protect the Government and that it is clearly our duty to do so. This provision in the bill seeks to do nothing more.

Mr. LIVINGSTON. May I suggest to the gentleman that the gist and pith of the matter is this: Congress made an appropriation of $10,000 for certain work to be done, and your committee has determined that that work was not done as Congress expected it to be done. The courts have no jurisdiction, and this House can determine whether the work was done or not according to the way it expected it to be done.

Mr. DAWSON. I thank the gentleman.

Mr. MANN. But we are not done with the gentleman from Georgia yet.

Mr. NORRIS. If he has complied with what he undertook to do in the contract under the law passed by us we ought to be the last to repudiate the contract.

Mr. DAWSON. But he has not complied.

Mr. NORRIS. The court will determine whether he has complied with the conditions.

Mr. TAWNEY. I yield five minutes to the gentleman from New York.

Mr. PAYNE. Mr. Chairman, I was not altogether surprised to find this clause in this appropriation bill. Some time ago a young lawyer who resided in my district and who was temporarily employed in the Library took it into his head to prepare a manuscript of the charters, constitutions, and organic laws of the different States and spent several years on that work—two or three—in gathering all the charters and all the constitutions of the several States and the amendments up to date. In addition to that, he annotated the work from beginning to end, showing where all the decisions of the courts could be found under every section of the different constitutions, and had that manuscript ready. He came to me and wanted to get an appropriation for the modest sum of $3,000 for that work that he had done.

Mr. OLMSTED. Everybody is modest in your district.

Mr. PAYNE. The gentleman expresses a fact that is generally recognized.

I made some inquiry in reference to this, and it brought out the fact that Professor Thorpe had a work, and it was described to me—as I have no doubt it was described to the Committee on Appropriations—as the most complete work that was ever done by any author taking up a given subject, covering everything, and representing the labor, I think, of eight or ten years—I do not remember how long, much longer than my young man had occupied in his work—and the result was that for two or three years one claim was played against the other until last year this amendment was put on in the Senate, and came over to the House, and got into an appropriation bill. Now, it seems to me that this manuscript, which was so highly commended at the time, should have been given the privilege of an opportunity for a competitive contest of the merits of the work, leaving the better one to prevail and get the appropriation, offsetting the modest appropriation of $3,000 against $10,000.

It seems, however, that my young friend was not represented in the Senate, on the Committee on Appropriations, and he was left. I had a suspicion then that the merits of the work were magnified in order to drive my friend out of the competition, and I am not surprised to find that when the claim is presented the law officer finds no difficulty in saying that the manuscript is not up to the recommendation. I hope that this matter will be investigated. I suppose my young friend is out of it, but whether he is or not I hope it will be investigated and that Congress will see that they are getting at least partially the worth of the money; that they are getting what was represented to them and what they agreed to pay the $10,000 for. I hope the clause will remain in the appropriation bill.

Mr. MANN. Will the gentleman yield for a question?

Mr. PAYNE. Certainly.

Mr. MANN. Does not the gentleman think we might well afford to waste this $10,000 in order to bring home to the Committee on Appropriations and the conference committees that these items have no business in an appropriation bill in the first place, and that the House ought never to have permitted this to go in? If we waste this $10,000, these items will probably stay out hereafter.

Mr. PAYNE. Mr. Chairman, I do not know. It would seem as though the Appropriations Committee had had a lesson in this very matter, and they are eating a good deal of humble pie when they come back and ask the House to correct this mistake which they have made. I do not think they would feel any worse about it if this clause remains in the bill. I think it is a warning to them in the future that is well worth the time that the House is occupying upon it. I hope the clause will remain in the bill.

Mr. OLMSTED. I merely wish to call the gentleman's attention to the fact that this clause in the bill does not provide for a comparison to determine who has made the better compilation.

Mr. PAYNE. I understand it does not, and I am looking at it in a disinterested way. I told the gentleman that I did not see that it helped my young man out any.

Mr. OLMSTED. No. But this calls for the determination of

the single question whether the manuscript in question is the identical, specific manuscript which Congress agreed to buy. It does not have anything to do with the merits of it.

Mr. PAYNE. Oh, I think it does go to the merits of it. If it is not the manuscript they agreed to buy, it is not a first-class manuscript on that subject.

Mr. OLMSTED. They agreed to buy the manuscript prepared by Charles M. Thorpe. That is what the act appropriating the $10,000 said. Now, all that this attempts is to determine whether it is the manuscript that he prepared.

Mr. PAYNE. This gentleman made representations as to what that manuscript was.

Mr. OLMSTED. At any rate the court is fully competent to decide any question raised by this paragraph. The court is better qualified to decide it than any committee of the House, probably.

Mr. PAYNE. I do not know about that. I think a committee of this House is a pretty competent tribunal for the determination of any question that comes before us. I think the lawyers of the House are quite competent to examine witnesses and reach conclusions from their testimony.

Mr. OLMSTED. They have no authority to summon witnesses, to procure their attendance, and to compel the production of books and papers.

Mr. TAWNEY. Mr. Chairman, having heard the representatives of the three interests involved in this matter, I now yield five minutes to my colleague from Minnesota [Mr. STEENERSON] to address the House on another subject.

The CHAIRMAN. The gentleman from Minnesota [Mr. STEENERSON] is recognized for five minutes.

Mr. STEENERSON. Mr. Chairman, I desire to have read in my time a letter from the secretary of the Minnesota Association of the Deaf.

The Clerk read as follows:

MINNESOTA ASSOCIATION OF THE DEAF,
Faribault, Minn., January 20, 1908.

Hon. HALVOR STEENERSON,
House of Representatives, Washington, D. C.

DEAR SIR: According to a recent ruling of the Civil Service Commission the deaf are included among certain undesirable classes who are to be refused henceforth employment in the Government service.

At a national convention of the deaf held at Norfolk last summer an unanimous protest was made against this ruling as unjust and uncalled for, and it was determined to make an effort to secure its modification in the case of the deaf. Various State associations of the deaf are protesting against the ruling, and the deaf generally and their friends all over the country are giving voice to criticism of the ruling as unfair to this class.

There are quite a number of deaf people in Government employ, and the heads of the Departments wherein they are working will testify that their work is entirely satisfactory. There are many kinds of Government employment where deafness is no bar at all to efficiency, as in bookkeeping and other kinds of clerical work.

The deaf people of the country are endeavoring in spite of their handicap to demean themselves as good and useful citizens. They are engaging in all the occupations of their hearing brothers in which the sense of hearing is not absolutely essential.

This ruling of the Commission putting the stamp of Government condemnation upon the deaf for what is not their fault but their misfortune, is a cause of discouragement to them. There are Government employments, it is true, to which deafness is a bar, but it is equally true that there are many employments where a deaf man can do as good work as a hearing man.

To bar the deaf entirely from the Government service, when they can pass the examinations and are in every other way qualified to do good service, is not giving them a "square deal."

The deaf people of Minnesota, through the executive committee of their State association, respectfully request you to use your influence toward the revocation of the ruling of the Commission in so far as it affects the deaf and thus reestablish them in their right to serve the Government in positions where lack of hearing is no bar to efficient service.

Very respectfully, P. N. PETERSON.

Mr. STEENERSON. I also ask to have this resolution, which I introduced, read for the information of the House.

The Clerk read as follows:

Resolution requesting information from the President of the United States relative to rules of the Civil Service Commission on the subject of employment of deaf persons in the civil service.

Resolved, etc., That the President of the United States be, and he is hereby, requested to furnish this House information on the following subjects:

First. What, if any, rule, regulation, or practice has been prescribed or adopted by the Civil Service Commission relative to the appointment or employment of deaf persons in civil service of the Government.

Second. Whether under said rules and practice deaf persons, even when competent and where hearing is not requisite to efficiency, are barred from service.

Third. Whether it would not be practicable to so change said rules as to enlarge the opportunity for employment in the civil service of the Government of deaf persons without detriment to the efficiency of that service.

Mr. STEENERSON. All I desire to say on this matter is that pending the report of the proper committee I commend the case of these people to the favorable consideration and thought of the Members of the House.

Mr. LIVINGSTON. I yield one hour and thirty minutes to the gentleman from Florida [Mr. CLARK].

The CHAIRMAN. The gentleman from Florida [Mr. CLARK] is recognized for one hour and thirty minutes.

Mr. CLARK of Florida. Mr. Chairman, on the first day of the present session of Congress I introduced in this House a bill having for its object the refunding to the persons who paid the same certain taxes, the levying and collection of which in my opinion was violative of the Constitution of the United States. I refer to what for some years past has been almost universally called the "illegal cotton tax." The bill which I introduced is H. R. 472, and with the permission of the committee I will print it in my remarks.

There was no objection, and the bill is as follows:

Be it enacted, etc., That the proceeds of the tax on cotton illegally collected from the people of the several States of the Union by the Government of the United States during the years 1863, 1864, 1865, 1866, 1867, and 1868, under and by virtue of the acts of Congress which provided for the levy and collection of such tax, and which said tax acts were passed July 1, 1862; March 7, 1864; July 13, 1866, and March 2, 1867, respectively, shall be refunded to the rightful owners, their heirs, or legal representatives; and to this end the Court of Claims is hereby clothed with full and complete jurisdiction to hear, to try, and determine all claims that may be filed in this behalf, said court to prescribe the rules for some simple and expeditious procedure, that persons claiming as original owners, heirs, or legal representatives may have the matter of their claims speedily heard and adjudicated.

SEC. 2. That immediately upon this act becoming a law, the Commissioner of Internal Revenue shall compile a statement from the records of his office showing the amount of money collected from the people of each State on account of the tax on cotton for each of the years 1863, 1864, 1865, 1866, 1867, and 1868, respectively, and showing, where the same is possible, the names of the persons, firms, or corporations from whom collected, and the respective amounts, and shall certify, under the seal of his office, that the same is full, complete, and correct, and then file it with the clerk of the Court of Claims. This statement shall be accessible to all persons, and shall be accepted as an accurate statement of the amount due the people of each of the States by the United States on account of the illegal taxes so collected.

SEC. 3. That the Commissioner of Internal Revenue shall, at the same time he files with the clerk of the Court of Claims a certified statement as required in section 2 of this act, file a duplicate of such statement with the Treasurer of the United States, and there is hereby appropriated, out of any money in the Treasury of the United States not otherwise appropriated, a sum equal to the total amount shown by said statement for the purpose of paying the same in full. Each judgment rendered by the Court of Claims shall be promptly paid the claimant by the Treasurer of the United States, on a warrant drawn on the Treasurer in favor of such claimant by the clerk of the Court of Claims.

SEC. 4. That claimants shall be allowed the period of five years from the time when this act becomes a law within which to file their claims, and all money remaining in the Treasury to the credit of the different States unclaimed, as shown by the certified statement of the internal-revenue collector, the judgments and pending claims deducted, shall, on the warrants of the respective governors of the different States, be paid by the Treasurer of the United States to said States, and become a part of the rural school fund of the respective States.

SEC. 5. That this act shall take effect immediately upon its passage and approval of the President or upon its becoming a law without such approval.

Mr. Chairman, in order that the House and the country may know just what is meant by the "illegal cotton tax," or the "illegal cotton taxes," I feel that it will not be out of place to give a brief history of the legislation itself, and something of the various efforts that have been made from time to time to enact relief legislation along the lines proposed in my bill. The need for this has been strongly emphasized during the present session of Congress. Members of Congress sometimes go astray concerning measures which they advocate, and are not always infallible with relation to the subject-matter of bills which they themselves present for the consideration of the House. The gentleman from Georgia [Mr. EDWARDS] has likewise introduced a bill relating to the "illegal cotton tax," and so zealous was he in the cause that before the holidays, and just seventeen days after the gentleman took the oath of office as a Member, he obligingly gave us the benefit of the exhaustive research that he had made of this subject.

But, Mr. Speaker, it matters not how loath I am to differ from the gentleman from Georgia, the truth of history demands that I do so on this occasion. The gentleman from Georgia in his bill refers to certain "money constituting the cotton-tax fund now held in the Treasury of the United States of America and known as the cotton-tax fund." He, also, in the speech which he delivered in this House on that subject, and which he himself said was his "first speech in Congress," several times made the statement that there was an "illegal cotton-tax fund," when the fact is there is not now, nor has there ever been, in the Treasury of the United States an "illegal cotton-tax fund," or any other kind of cotton-tax fund. I knew that the taxes levied upon cotton under the several acts of Congress had been collected and had been used by the Government of the United States, as all other revenue had been used, but, in order that there might be no question whatever hereafter with relation to

the subject, on the 24th day of December, 1907, I addressed to the Secretary of the Treasury the following letter:

HOUSE OF REPRESENTATIVES,
Washington, D. C., December 24, 1907.

THE SECRETARY OF THE TREASURY,
Washington, D. C.

SIR: In 1862 Congress levied a tax of one-half of 1 cent per pound on cotton; in 1864 Congress levied a tax of 2 cents per pound on cotton; in 1866 Congress levied a tax of 3 cents per pound on cotton; in 1867 Congress levied a tax of 2½ cents per pound on cotton, and in 1868 Congress repealed all laws levying direct taxes on cotton. During the life of these respective tax acts, viz, from 1862 to 1868, the United States Government, as shown by the record in the office of the Commissioner of Internal Revenue, collected the sum of $68,072,389.99 from the owners of cotton.

My understanding is that the money arising from these cotton-tax acts was treated just the same as money arising from internal-revenue taxes; that is to say, it was collected by the Government and used by the Government for governmental purposes. I notice, however, that some persons refer to the "illegal cotton-tax fund" as though this money was never used by the Government, but that it has been held for all these years in a separate and distinct fund, known and described as "the illegal cotton-tax fund."

I will appreciate it if you will advise me as to the truth of the matter.

Yours respectfully, FRANK CLARK.

On the 27th day of December, 1907, Mr. Edwards, Acting Secretary of the Treasury, wrote in reply, as follows:

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, December 27, 1907.

Hon. FRANK CLARK,
House of Representatives, Washington, D. C.

SIR: In reply to your communication of the 24th instant, relative to the tax on cotton collected during the fiscal years ended June 30, 1863, to June 30, 1868, I have to state that the provision authorizing the levy and collection of said tax is found in the seventy-fifth section of the act entitled "An act to provide internal revenue to support the Government and to pay interest on the public debt," approved July 1, 1862 (12 Stat., pp. 432–489), and that the moneys derived from the tax on cotton, together with all other taxes levied and collected under the said act, were deposited as receipts from internal revenue and applied to the support of the Government and payment of interest on the public debt.

No separate or distinct account known or described as "cotton-tax fund" was ever kept on the books of the Treasury Department.

Respectfully,

J. H. EDWARDS,
Acting Secretary.

Thus it will be seen, Mr. Chairman, that the gentleman from Georgia was mistaken, and that if this or any similar legislation be enacted the Government of the United States will not find a fund on hand out of which the people who originally paid these taxes may be reimbursed, but will necessarily be compelled to resort to the usual means of raising money to liquidate governmental indebtedness. If any of the constituents of the gentleman from Georgia are interested in this matter, I trust he will hasten to advise them of the real facts.

There were four different acts of Congress levying a tax upon raw cotton. One was the act of July 1, 1862, which levied a tax of one-half of 1 cent per pound. The next was the act of March 7, 1864, which levied a duty of 2 cents per pound. The third was that of July 13, 1866, which levied a tax of 3 cents per pound, and the last was the act of March 2, 1867, which levied a tax of 2½ cents per pound. On the 3d day of February, 1868, Congress passed an act liberating cotton from all taxes thereafter.

In order that we may fully understand the legislation in this behalf, I call the attention of the House to these different acts of Congress.

The several statutory provisions laying taxes on cotton are as follows:

Act of July 1, 1862:

"On and after the 1st day of October, 1862, there shall be levied, collected, and paid a tax of one-half of 1 cent per pound on all cotton held or owned by any person or persons, corporation, or association of persons; and such tax shall be a lien thereon in the possession of any person whomsoever. And further, if any person or persons, corporation, or association of persons shall remove, carry, or transport the same from the place of its production before said tax shall be paid, such person or persons, corporation, or association of persons shall forfeit and pay to the United States double the amount of such tax, to be recovered in any court having jurisdiction thereof: *Provided, however*, That the Commissioner of Internal Revenue is hereby authorized to make such rules and regulations as he may deem proper for the payment of said tax at places different from that of the production of said cotton: *And provided further*, That all cotton owned and held by any manufacturer of cotton fabrics on the 1st day (of) October, 1862, and prior thereto, shall be exempt from the tax hereby imposed." (12 Stat. L., p. 465.)

Act of March 7, 1864:

"From and after the passage of this act, in lieu of the duties provided in the act referred to in the first section of this act, there shall be levied, collected, and paid upon all cotton produced or sold and removed for consumption, and upon which no duty has been levied, paid, or collected, a duty of 2 cents per pound; and such duty shall be and remain a lien thereon until said duty shall have been paid, in the possession of any person whomsoever. And further, if any person or persons, corporation, or association of persons remove, carry, or transport the same, or procure any other party or parties to remove, carry, or transport the same from the place of its production, with the intent to evade the duty thereon, or to defraud the Government, before said duty shall have been paid, such person or persons, corporation, or association of persons shall forfeit and pay to the United States double the amount of said duty, to be recovered in any court of competent jurisdiction: *Provided*, That all cotton sold by or on account of the Government of the United States shall be free and exempt from duty at the time of and after the sale thereof, and the same shall be marked free, and the purchaser furnished with such a bill of sale as shall clearly and accurately describe the same, which shall be deemed and taken to be a permit authorizing the sale or removal thereof." (13 Stat. L., p. 15.)

Act of July 13, 1866:

"There shall be paid by the producer, owner, or holder, upon all cotton produced within the United States, and upon which no tax has been levied, paid, or collected, a tax of 3 cents per pound, as hereinafter provided * * * and such tax shall be and remain a lien thereon, in possession of any person whomsoever, from the time when this law takes effect, or such cotton is produced, as aforesaid, until the same shall have been paid." (14 Stat. L., p. 98.)

Act of March 2, 1867:

"On and after the 1st day of September, 1867, a tax of 2½ cents per pound only shall be levied, collected, and paid on any cotton produced within the United States." (14 Stat. L., p. 471.)

Act of February 3, 1868:

"All cotton grown in the United States after the year 1867 shall be exempt from internal tax; and cotton imported from foreign countries on and after November 1, 1868, shall be exempt from duty." (15 Stat. L., p. 34.)

When the tax of 1862 and that of 1864 was levied the country was in the throes of civil war, and there may be something in the idea sometimes advanced, that the exigencies of war demanded and justified the setting at naught of statutory laws and constitutional provisions. I do not subscribe to that doctrine, because I believe that in a republican government such as ours there can arise no circumstances, there can exist no conditions, there can be no emergencies which would justify the National Legislature in violating the solemnly enacted provisions of the organic law.

Be that as it may, there can be no sort of question but that the act of 1866 and the act of 1867 were both passed in a time of profound peace and therefore can not in any wise be regarded as "war measures," and if the gentlemen will examine the statement which I shall ask permission to incorporate in my remarks, they will find that the great bulk of the taxes levied and collected on raw cotton came from the acts of 1866 and 1867. The tabulated statement of the amounts annually collected in the different States in pursuance of these acts of Congress has been furnished by the Secretary of the Treasury and is as follows:

Statement showing internal-revenue tax receipts from raw cotton.

[See act of July 1, 1862, 12 Stat. L., p. 465.]

State.	Fiscal years ending June 30—						Total.
	1863.	1864.	1865.	1866.	1867.	1868.	
Alabama				$3,733,620.25	$3,049,838.01	$3,604,583.84	$10,388,072.10
Arizona							
Arkansas				203,073.84	1,641,342.22	711,222.37	2,555,638.43
California				145.96	284.08		430.04
Colorado							
Connecticut	$17.72	$110.25			65.67		193.64
Dakota							
Delaware							
District of Columbia							
Florida				97,488.24	499,615.07	321,811.67	918,944.98
Georgia				3,554,554.38	3,283,276.36	5,059,274.24	11,897,094.98
Idaho							
Illinois	53,381.71	35,515.69	$35,802.79	113,732.66	76,013.72	34,697.85	379,144.42
Indiana	8,999.90	1,041.60	703.30	52,428.40	14,202.83	15,351.19	92,727.22
Iowa		.27					.27
Kansas			151.34	102.64	32.17		286.15
Kentucky	12,779.67	83,050.15	83,658.34	121,550.89	149,905.16	102,383.24	553,327.45

Statement showing internal-revenue tax receipts from raw cotton—Continued.

[See act of July 1, 1862, 12 Stat. L., p. 465.]

State.	Fiscal years ending June 30—						Total.
	1863.	1864.	1835.	1836.	1837.	1838.	
Louisiana	$19,920.96	$436,044.52	$593,108.02	$4,300,150.17	$2,971,708.19	$1,777,569.17	$10,098,501.00
Maine							
Maryland	1,857.66	139.91	1,168.65	4,324.03	4,424.48	39,424.79	51,349.52
Massachusetts	4,412.79	6,419.24	127.00	28,175.46	16,576.85	10,937.96	66,679.30
Michigan							
Minnesota							
Mississippi				756,629.27	4,464,664.40	3,521,702.26	8,742,995.93
Missouri	69,493.12	39,009.76	73,603.00	247,289.14	96,721.63	65,981.71	592,098.36
Montana							
Nebraska							
Nevada							
New Hampshire							
New Jersey		500.00			3,156.42		3,656.42
New Mexico							
New York	102,041.83	24,836.56	10,334.04	492,557.07	112,570.54	125,602.64	857,942.68
North Carolina				211,658.57	860,704.55	887,341.75	1,959,704.87
Ohio	70,836.24	94,086.59	39,918.92	41,691.89	85,343.00	115,190.48	447,127.12
Oregon							
Pennsylvania	5,060.89	57,895.38		6,080.62	146.03	9,352.14	78,535.06
Rhode Island	2,402.27	.01	22.45				2,424.73
South Carolina				731,939.67	1,429,281.10	2,011,199.39	4,172,420.16
Tennessee		488,325.80	877,901.00	2,148,437.98	1,929,301.72	2,429,494.12	7,873,460.71
Texas				1,395,524.17	2,780,307.31	1,326,569.76	5,502,401.24
Utah	36.75	11.00	48.90	241.31	389.64	647.74	1,375.34
Vermont				168,268.29			168,268.29
Virginia		1,425.83	26,435.64		299,147.65	330,579.46	657,588.58
Washington							
West Virginia							
Wisconsin							
Total	351,311.48	1,268,412.56	1,772,983.48	18,409,654.90	23,769,078.80	22,500,947.77	68,072,388.99

So far as I have been able to find, and I have made exhaustive research, only one case has ever been brought in the courts directly affecting these acts of Congress levying a tax on cotton, and that suit was brought to test the validity of the act of July 13, 1866.

On the second Monday in June, 1867, William M. Farrington commenced an action in the law court of Memphis, Tenn., against Rolfe S. Saunders, a collector of internal revenue, for damages for the seizure of 148 bales of cotton which had been assessed by an internal-revenue assessor for taxes amounting to $2,005.74. The case was removed to the United States circuit court for the sixth circuit by Saunders, and that court decided in his favor. Farrington appealed to the Supreme Court of the United States on December 6, 1867, and the judgment of the court below was affirmed by the Supreme Court—a divided court, there being only eight justices who heard the case, and they stood four to four—February 20, 1871.

It can be found in only one volume, and that is a volume known as "Records of Briefs," volume 216.

Mr. GOULDEN. Will the gentleman permit an interruption right there? Why was not that decision reported?

Mr. CLARK of Florida. I do not know. The fact is that it was not.

Mr. SIMS. I would like to ask the gentleman a question. Were any written opinions given by the divided court either way?

Mr. CLARK of Florida. No.

Mr. SIMS. There is no way, then, to get a written statement of the four justices who contended against the constitutionality of the act?

Mr. CLARK of Florida. No, sir; there is not. All that is contained in the volume that I referred to is copies of the pleadings and the argument of counsel on both sides, with a statement as to the court's finding. But the judgment was affirmed solely because of a divided court. Four were in favor of affirmance, and four were in favor of reversal, and that, of course, resulted in affirmance of the judgment of the court below.

The facts in the case appear in the following case agreed, which had been filed in the circuit court at the September term, 1867:

The plaintiff and defendant have agreed that the above cause, now pending in the circuit court of the United States for the district of west Tennessee, shall be tried by the court without the intervention of a jury, upon the following facts, which are submitted and agreed upon by both parties, to wit:

1. That on the 26th day of June, 1867, the plaintiff, William M. Farrington, was the holder and owner, in his own right, of 148 bales of cotton, of the net weight of 66,858 pounds. That said cotton was the growth of and produced within the United States.

2. That no internal revenue or other tax had been levied, paid, or collected upon said cotton.

3. That on the said 26th day of June, 1897, H. F. Cooper, assistant United States assessor for the eighth district of the State of Tennessee, within which said district said cotton then was, acting under the provisions of the act of Congress of the United States, approved 13th July, 1866, assessed a tax of 3 cents per pound upon said cotton, making in the aggregate the sum of $2,005.74, and returned said assessment on that day into the office of the defendant, who is the United States revenue collector for said district.

Mr. SIMS. Mr. Chairman, I would like to ask the gentleman from Florida [Mr. CLARK] one question. Does the statement show the issue raised in the case—that is, the grounds of the issue?

Mr. CLARK of Florida. Yes, sir; fully and completely.

4. That the plaintiff on the same day protested against said assessment, for the reason that said assessment was without authority of law, said act of Congress of the 13th of July, 1866, being contrary to the provisions of the Constitution of the United States of America and void.

5. That on the 27th day of June, 1867, the defendant, who is the legally authorized United States internal-revenue collector for said district, the said cotton being then within said district, demanded said tax of 3 cents per pound on said cotton, amounting in the aggregate to the said sum of $2,005.74, from the plaintiff.

6. That the plaintiff then and there protested against said tax, and protested against the defendant's demand, and objected to pay the same for the reasons assigned in his protest against the assessment of said tax, and was removing said cotton from said district.

7. That the defendant then and there, on the day aforesaid, averred that he would, as internal-revenue collector, seize said cotton, and threatened the plaintiff then present that he would forthwith seize said cotton unless said tax was paid to him.

8. That the plaintiff thereupon and by reason of said threats paid to the defendant the said sum of $2,005.74, lawful money of the United States, that being the amount of said tax, under protest.

9. That on the same day the plaintiff demanded said money back from the defendant; that the defendant refused to refund it, and the plaintiff thereupon on the same day duly appealed to the Commissioner of Internal Revenue, at Washington, according to the provisions of law in that regard and the regulation of the Secretary of the Treasury, established in pursuance thereof.

10. That the plaintiff's appeal, the same containing a properly certified record of the acts of the said assessor and the defendant, and the reasons of plaintiff's protest, were duly forwarded to and laid before the Commissioner of Internal Revenue at Washington, who examined the plaintiff's claim for the refunding of said sum of $2,005.74, and rejected it, for the reason that he regarded the law imposing a duty of 3 cents per pound upon cotton as constitutional.

11. That the action of the Commissioner was on the 1st day of August, 1867, and within six months before the suing out of summons and commencement of the plaintiff's action in this cause.

12. That the plaintiff and defendant were forthwith notified by the Commissioner of Internal Revenue of his action in the premises, and on the 10th day of August, 1867, the plaintiff again, and after notice as above to the defendant, demanded to have said sum of $2,005.74 paid back to him, which the defendant refused.

13. That the amount in controversy in this cause is more than $2,000.

14. That the following tabular statement shows the growth and production of cotton within the United States from the year 1820–21 to the year 1866–67, inclusive, in bales:

1820–21	430,000	1831–32	987,417
1821–22	455,000	1832–33	1,070,438
1822–23	495,000	1833–34	1,205,394
1823–24	509,158	1834–35	1,254,328
1824–25	569,249	1835–36	1,360,725
1825–26	720,027	1836–37	1,432,930
1826–27	957,281	1837–38	1,801,497
1827–28	727,593	1838–39	1,360,532
1828–29	870,215	1839–40	2,177,835
1829–30	976,845	1840–41	1,634,945
1830–31	1,038,848	1841–42	1,683,574

1842–43	2,378,875	1855–56	3,537,845
1843–44	2,030,409	1856–57	2,939,519
1844–45	2,394,503	1857–58	3,115,962
1845–46	2,100,537	1858–59	3,851,481
1846–47	1,778,651	1859–60	4,669,770
1847–48	2,347,634	1860–61	3,656,086
1848–49	2,728,296	1861–62 (estimated)	1,000,000
1849–50	2,096,706	1862–63 (estimated)	1,000,000
1850–51	2,345,257	1863–64 (estimated)	800,000
1851–52	3,015,029	1864–65 (estimated)	500,000
1852–53	3,262,882	1865–66	2,151,043
1853–54	2,939,027	1866–67	1,860,000
1854–55	2,847,339		

That of the above annual yield and product, three-fourths to five-sixths of the number of bales have been annually exported from the United States, except in the years 1865–66 and 1866–67, the exports for those years being about two-thirds to three-fourths, and that the returns received at the Statistical Bureau at Washington show that 667,137,870 pounds of cotton have been exported from the United States for the year ending June 30, 1867, of the value of $202,807,910.

Now, it is agreed between the plaintiff and defendant that this cause shall be tried by the court upon the foregoing facts admitted by both parties, and the court may draw all inferences and make all deductions from said facts that a jury might or could legally draw or make, and the questions at issue between the parties which the court is asked to adjudge and determine is as to the validity and constitutionality of the various acts of Congress imposing a tax upon cotton, and particularly to the act of Congress approved July 13, 1866, imposing a tax of 3 cents per pound upon cotton produced within the United States. And if upon the trial of the cause and argument of counsel the court should be of the opinion that said act of Congress of the 13th of July, 1866, imposing said tax of 3 cents per pound upon cotton produced within the United States is constitutional and valid, then the judgment of the court shall be simply for the defendant and against the plaintiff and his security for the costs of the cause. But if the court shall be of the opinion that said act (of) Congress imposing said tax is unconstitutional and invalid, then the judgment of the court shall be for the plaintiff, that he recover of the defendant the said sum of $2,005.74, with interest from the 27th day of June, 1867, and the costs of the cause.

The right to appeal, or to take an appeal in the nature of a writ of error, or to prosecute a writ of error to the Supreme Court of the United States, at Washington, or wherever the same shall be held, is reserved to both parties, to be taken by the losing party at his option, according to law and the rules of practice in the circuit and supreme courts of the United States regulating the practice in appeals and writs of error from the circuit court to the Supreme Court.

This 2d day of September, 1867.

WILLIAM M. FARRINGTON,
By WRIGHT & M'KISICK, *Attorneys.*
ROLFE S. SAUNDERS,
By MARLAND L. PERKINS,
Asst. United States Atty. District of West Tennessee.

Judgment.

Upon the foregoing case agreed, Judge Trigg rendered judgment as follows:

"And upon consideration of the same the court is of the opinion that the said act of Congress of the 13th of July, 1866, imposing an internal-revenue tax of 3 cents per pound upon cotton grown and produced within the United States is constitutional and valid, and that the law of the case upon the facts agreed is with the defendant. It is therefore considered by the court that the defendant go hence and recover of the plaintiff, and of T. A. Nelson, his security therefor, the costs of this suit, and that execution issue."

In the Supreme Court of the United States briefs were filed by P. Phillips, W. L. Sharkey, Albert Pike, James Hughes, Robertson Topp, J. A. Campbell, Robert W. Johnson and B. R. Curtis, for Farrington; and by Attorney-General Akerman, Assistant Attorney-General C. H. Hill, and, later, by Attorney-General E. R. Hoar, and Assistant Attorney-General W. A. Field, for Saunders.

Mr. SPARKMAN. Will my colleague allow me to ask him a question?

Mr. CLARK of Florida. Certainly.

Mr. SPARKMAN. Did either one of the justices file any opinion in the case?

Mr. CLARK of Florida. No, sir; they did not.

Mr. SPARKMAN. Then your remarks embrace not the opinion, but only the findings of fact?

Mr. CLARK of Florida. That is all.

Counsel for Farrington contended that the acts laying the tax on cotton violated all the provisions of the Constitution of the United States delegating the right to levy and collect taxes.

Counsel for Saunders controverted this position, and relied mainly upon the case of Hylton *v.* United States (3 Dallas, 171). Their contention was summarized in the brief of Attorney-General Hoar as follows:

If the cotton tax imposed by the act of 1866 was a direct tax, then, inasmuch as it was not laid by the rule of apportionment, it must be pronounced unconstitutional. It must also be pronounced unconstitutional if it was an export tax. But if, on the other hand, the tax was an indirect one simply, it is submitted that there was no conflict between the provision referred to and the Constitution, and its validity should be affirmed. He also contended that "the tax on cotton of 1866 is not a direct tax, being neither a tax on land nor a tax on slaves or other capitation tax.

I desire to call the attention of the House especially to the admission made by Attorney-General Hoar in his brief in the Farrington case that—

If the cotton tax imposed by the act of 1866 was a direct tax, then inasmuch as it was not laid by the rule of appropriation it must be pronounced unconstitutional.

Was it a direct tax? Let us now examine the constitutional provisions applicable to this tax. What are they? Upon an examination of the Constitution it will be found that it contains only four provisions respecting Federal taxation, and they are as follows:

1. Representatives and direct taxes shall be apportioned among the several States which may be included within this Union, according to their respective numbers, which shall be determined by adding to the whole number of free persons, including those bound to service for a term of years, and excluding Indians not taxed, three-fifths of all other persons. (Art I, sec. 2, clause 3.)

The fourteenth amendment modified this provision so that the whole number of persons in each State should be counted, "Indians not taxed" excluded.

2. The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States. (Art. I, sec. 8, clause 1.)

3. No capitation or other direct tax shall be laid, unless in proportion to the census or enumeration hereinbefore directed to be taken. (Art. I, sec. 9, clause 4.)

4. No tax or duty shall be laid on articles exported from any State. (Art. I, sec. 9, clause 5.)

In the light of these constitutional provisions, I desire to call attention briefly to the objections which lie to the levy and collection of all these taxes. First, my insistence is that each and every one of the acts referred to levied a *direct tax* upon raw cotton, which was violative of that provision of the Constitution which prohibits the levy of a direct tax, except it be done by the rule of apportionment; that Congress has the power to levy direct taxes is not now and never has been questioned since the Constitution itself was adopted. The Constitution says, in Article I, section 2, clause 3, that "Representatives and direct taxes shall be apportioned among the several States which may be included within this Union, according to their respective numbers."

Gentlemen will search the four enactments of Congress in this behalf in vain for any provision levying the tax in accordance with that requirement of the organic law.

Again in Article I, section 9, clause 4, we have this provision:

No capitation or other direct tax shall be levied unless in proportion to the census or enumeration hereinbefore directed to be taken.

In none of these statutory enactments will you find any provision that these taxes are to be laid "in proportion to the census," as is positively required.

I desire also at this place to call the attention of this House to the historical fact that so great was the fear of members of the Constitutional Convention that Congress might have the power to levy direct taxes without regard to the rule of apportionment, or the population of the different States, as shown by the census, that the Constitution itself would never have been adopted by the people of the different States if they had not been solemnly assured by the leading statesmen of that day that it would never result in oppressive taxation, or violate in that respect the principle of equality. [Applause.] That this is true I apprehend no one will deny, and I cite those who desire to investigate the subject further to "The Federalist," No. 36.

In the argument of Mr. Phillips, of counsel for Farrington, who was plaintiff in error in the Supreme Court of the United States in the case of Farrington *v.* Saunders, in referring to these constitutional provisions we find this strong language:

By these restrictions the States supposed that they had protected themselves against partial or corrupt legislation. For indirect taxation they established *uniformity;* for *direct* they secured *apportionment according to the census.*

In the history of this Government Congress has several times resorted to the levying of direct taxes for the purposes of the Government. But in each and every case, with very few exceptions (and in those exceptions the money was subsequently refunded), Congress has always laid the tax by the rule of apportionment. [Applause.]

Perry on Political Economy, page 443, defines a direct tax as follows:

A direct tax is levied on the very persons who are themselves expected to pay it; an indirect tax is demanded from one person in the expectation that he will pay it provisionally, but will indemnify himself in the higher price he will receive from the ultimate consumer. Thus the income tax is direct, while duties laid on imported goods are indirect.

There can, I think, be no question but that these taxes come squarely within the definition of a direct tax given by Perry. There has never been any argument worthy of the name to the contrary.

I suppose that the best defense that has ever been made for the levy of these cotton taxes was made in a letter to Hon. George S. Boutwell, then Secretary of the Treasury, by the Hon. Israel Kimball, at that time Commissioner of Internal Revenue. The opinion of Mr. Kimball can be found in Executive Document No. 181, Forty-second Congress, third session. It is covered in a letter from the Hon. George S. Boutwell, Sec-

retary of the Treasury, under date of February 4, 1873, and directed to the Hon. James G. Blaine, at that time Speaker of the House of Representatives. Mr. Kimball consumes some fourteen pages undertaking to bolster up the right of the Government to insist upon these taxes. But when his entire argument is sifted and brought down to its last analysis, the *one main reason* that he gives to support his contention that these taxes were indirect and not direct in his statement, unsupported in reason or by fact that the producer did not in fact pay the tax; that the tax was added to the selling price and the consumer paid it. With all due respect to Mr. Kimball, this contention in the minds of those who know the present situation, and who have been familiar with conditions in the cotton-growing section of our country for the past thirty-five or forty years, is simply absurd, impossible, and ridiculous. No man who ever lived on a farm, South, North, East, or West, but who knows that the farmer has no more to do with fixing a price for his products than has "the man in the moon." When a farmer has anything to sell he is forced to accept whatever may be offered him by those who buy. When the farmer desires to buy he is forced to pay the price put on the goods by the seller. It is notorious in the South that the price of cotton has always been fixed in the market at Liverpool.

Messrs. Hughes and Sharkey, of counsel for Farrington, have, however, answered this contention so much better than I can that I shall adopt their argument, which, with reference to Mr. Kimball's contention, is as follows:

Is it (this tax) levied on the person who pays it, or does some other person ultimately pay it? Can the planter add this to the price of the cotton when he sells it? The court must assume this; otherwise it is a direct tax. Can the court assume it in the face of the facts? Liverpool is the great cotton mart of the world and controls the price of cotton. Can the planter who ships his cotton to Liverpool add this tax to the price? If the Southern States had entire control of the market, or a monopoly, perhaps he might, but there the cotton of the United States comes in competition with the cotton of about twelve or fifteen other countries, and the planter's price must conform to the standard there fixed. Consequently he is not remunerated to the value of a farthing a bale. The whole loss falls on him. He is the person who pays it.

If gentlemen will investigate the debates had in the Constitutional Convention on this subject of taxation, they will readily see that the contention which I make here and which was made by the planter's attorneys in the Farrington case is absolutely correct. Gentlemen upon that investigation will find that as the taxing power was originally introduced in the report of the Committee of Detail it stood—

The legislature of the United States shall have power to lay and collect taxes, duties, imposts, and excises. (See Madison's debates, p. 378.)

If this clause had stood as the Committee of Detail originally reported it, it would have given to Congress unlimited power of taxation, which might have been used to the advantage of some States and to the prejudice of others, and for this reason, which was conceded by all, when this taxation matter came before the convention itself for adoption, it was amended by adding thereto these words:

"But all such duties, imposts, and excises shall be uniform throughout the United States."

And right here is the provision of the organic law under which it is sought to justify the levy of these taxes. The insistence of those who support the legality of the tax levy is that the tax is laid by the rule of uniformity, as it is stated in the act that the tax is to be levied on "all cotton produced within the United States."

This clause is quoted and gentlemen say that as the tax is laid upon all cotton in the United States it is necessarily uniform and fully complies with the constitutional requirement. If cotton were grown in all the States of the Union this contention would be eminently correct, but when it is known to the courts and known to the Congress and known to every one that at the time of the levy of these taxes cotton could not be grown in any but eleven States, and that while the act levied the tax upon all cotton grown within the United States, it would not cost some States one penny and would extort from the pockets of the people in other States millions of dollars, the plea of uniformity vanishes into thin air. [Applause.]

The case relied on by the advocates of the legality of these acts is the case of Hylton *v.* the United States, to be found in 3 Dallas, page 171. This was a case of an act of Congress levying a tax upon carriages, and an investigation of it will show that the court sustained the constitutionality of the act largely and, in fact, I might say wholly, upon the ground that it was a tax on the consumer of an article. The three learned judges in that case, who delivered written opinions, concurred in intimating (they say expressly that they do not give a judicial opinion) that the direct taxes contemplated by the Constitution are only two, to wit: the capitation tax and the tax on land. Even if the intimation of these judges were correct, and that direct taxes as referred to in the Constitution were limited to two, and that those two were the capitation tax and the tax on land, then the contention which I here make would be sound. I assert this because the courts and the law writers of approved authority all concur in the holding that the product of land, whether it be in rentals or whether it be in crops, stands upon exactly the same footing as the land itself. In other words, if the levy of a tax upon land would be a direct tax, and it should be required that the tax be levied by the rule of apportionment, then cotton, corn, wheat, tobacco or other raw product of the land itself would likewise be considered as land and the rule of apportionment would necessarily have to be complied with.

I desire also to call the attention of the House to the fact that the Supreme Court of the United States, when it delivered the opinion in the Hylton case, was denied access to the debates in the Federal Convention. It is recognized in all courts that one of the very best rules of statutory or constitutional construction is the will or the meaning of the legislator as contained in the debate leading up to the adoption of the particular enactment. The debates in the Federal Convention were secret. No copies were allowed, and when the convention adjourned the journals were placed in charge of the President and they were not laid before Congress, or the country, or published, *until after the decision in the Hylton case was made*. This statement I get from the argument of Mr. Robertson Topp, of counsel for appellant in the Farrington Saunders case, and Mr. Topp, after making this statement, says:

Thus it will be seen that the court was deprived of one of the best means of determining the real meaning of the Constitution, viz, *the reasons given by those who made it.*

Referring to this fear that some of the States would be in the power of the others and that grave injustice would be done the weaker ones in the matter of taxation, Mr. Madison, in the convention, said:

It is represented to be oppressive that the States which have slaves and tobacco should pay taxes on these for Federal wants when other States who have them not would escape. But does the Constitution on the table admit of this? On the contrary, there is a proportion to be laid on each State according to its population.

Mr. Topp, in his argument in the Farrington case, submits some figures taken from the Census of 1860, which strike me as being a powerful exposition of what might occur and of the injustice that might be perpetrated, and which, in fact, was perpetrated in the levy of these cotton taxes. I desire to call attention to the table referred to:

By referring to the Census of 1860 it will be seen that the total population of the United States was	31, 445, 089
By the same table the population of the 11 cotton-producing States was	9, 103, 333
By the same table the value of the real and personal property of the United States in 1860 was	$16, 159, 616, 068
Of the 11 cotton-producing States	$5, 402, 165, 107
By referring to the agricultural report of 1867, page 90, it will be seen the corn crop of that year was worth	$610, 948, 390
The wheat crop	$421, 796, 460
The oat crop	$172, 472, 970
The hay crop	$372, 864, 670
The cotton crop	$201, 470, 495
And that including rye, barley, buckwheat, potatoes, and tobacco, the whole crop of 1867 was worth	$2, 007, 462, 231

By referring to the Census of 1860 it will be seen that the cotton crop, except 100 bales raised in Missouri and 6 bales in Illinois, was entirely raised in the 11 cotton States, and such has been the case since the existence of those States and since cotton was produced for export.

By referring to the tax laws of the United States it will be seen that cotton and sugar were the only crude products of the soil taxed—that corn, which grew in every State from Maine to Texas, worth treble, wheat worth double, hay worth nearly double the cotton crop; that in fact the whole crop of every character and description, passes free, whilst cotton, less than one-tenth in value, is singled out and made to bear ruinous burdens—1867, 33⅓ per cent of the gross value—whilst more than two-thirds of the people escape the tax.

Is this fair? Is this just? Is this uniform?

The attorneys for the Government in the Farrington case, in addition to the contention that these taxes on cotton were not direct taxes, took the further position that the tax on cotton was an excise and therefore the rule of apportionment did not apply. Let us examine this contention under the light of the Constitution.

The Encyclopedia Britannica under the article excise defines an excise to be—

A term used in finance to signify the duty charged in a country upon articles produced in it before they are permitted to get into the possession of the public.

Judge Storey says:

An excise is an inland imposition or duty; a duty or tax laid on certain articles produced or consumed at home.

Accepting these definitions as being correct, how stand the cotton taxes with relation to clause 1, section 8, Article I of the Constitution of the United States? That clause reads as follows:

The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts and excises *shall be uniform throughout the United States.*

Were these taxes uniform throughout the United States? That is the gist of the whole question, and upon the correct answer to that question must stand or fall the cotton taxes.

We are permitted in the discussion of a question like this, whether that discussion take place in the court room or in the legislative halls, to take notice of the physical conditions of the country. We are permitted to consider those things which are matters of common information. Acting upon this rule, the Congress must have known that when these taxes were levied cotton was grown in *only eleven* of the States of the Union. Outside of those eleven States I believe that no cotton was grown in the United States except about *one hundred bales in the State of Missouri* and about *six bales in the southern part of the State of Illinois.* This being true—and no one will question its correctness—can it be contended that these acts were *uniform throughout the United States?*

In order that the Congress may see and know and understand just how uniform these acts were in their practical operation, if they will turn to the table that I have incorporated in my remarks they will see that under these four acts of Congress levying taxes upon raw cotton the State of Georgia paid into the Treasury of the United States *$11,897,094.98*, while the State of Kansas, with a population almost as large, only paid into the Treasury of the country *$286.15.* And so in many other cases these figures are of themselves fully sufficient to show the injustice and gross inequality of these cotton taxes. But I have discovered in the act of August 5, 1861 (12 Statutes at Large, pp. 294–295), some figures which by comparison with those of the table referred to will make the inequality still more impressive from another point of view. That act laid a direct tax of twenty millions of dollars upon the United States and *apportioned* the same among the several States *according to population.* It was a constitutional act, and it is highly instructive to compare the *amounts apportioned* under it to the several cotton States with the *amounts actually collected* under the operation of the unconstitutional cotton-tax acts. I have done this in a tabular statement which I now present:

Table showing direct taxes apportioned to the several cotton-growing States by act of August 5, 1861, and amounts collected in same States under the cotton-tax acts.

Name of State.	Apportionment under act of 1861.	Collected under cotton-tax acts.
Georgia	$584,367	$11,897,094
Alabama	529,313	10,388,972
Mississippi	413,081	8,742,995
Louisiana	385,888	10,098,501
Florida	77,522	918,944
Arkansas	281,883	2,555,638
Tennessee	669,498	7,873,480
North Carolina	576,194	1,959,704
South Carolina	363,579	4,172,430

It would be hard to find in the history of the world a more grievous, oppressive, or unjustifiable exercise of arbitrary power than that illustrated by this table. But that is not all. The direct taxes laid by the act of 1861, in conformity with the Constitution have been refunded to the States from which they were collected; while these illegal and unconstitutional cotton taxes have been covered into the Treasury, and used for the benefit of the United States, and no restitution made. It is an unusual case.

Suppose the acts of Congress imposing these taxes had provided that *eleven States*, naming them, should pay these taxes and that the *remaining States should be exempt therefrom.* Would it be contended for a moment that this was a compliance with the constitutional provision which required that such taxes should be *uniform throughout the United States?* Certainly not. Can Congress by simply placing the words "all cotton produced in the United States" evade this provision when Congress knew, or must have known, that the whole burden would fall *upon eleven States* and *would not* and *could not be made uniform in its operation throughout the United States?* Such a contention would merely be a juggling with words, and a prostitution of a solemnly enacted provision of our organic law unworthy of the merest tyro in constitutional law. If our Constitution can be distorted and emasculated by such legislative legerdemain, then the right to live, the right to be free, and the right to pursue happiness, for which our fathers fought and died in the Revolution, are not protected by our sacred bond of union. Not in anger, but in a broad spirit of brotherly love and patriotic devotion to our beloved country, let me appeal to the majority to right this most grievous wrong to constitutional government.

I also take the position, Mr. Chairman, that these taxes are obnoxious to another provision of the Constitution. Clause 5 of section 9, Article I, provides:

No tax or duty shall be laid on articles *exported from any State.*

That cotton, when these different acts were passed by Congress, was an article of export was well known. Practically every pound of cotton grown in the Southern States during the period from 1862 to 1868 was grown expressly for export, and export to foreign countries. The courts and the law writers of approved authority agree that the clause of the Constitution to which I have just called attention applies as well to articles exported *from one State in the Union to another State in the Union* as it does *from one of our States to foreign countries.*

It is said that the cotton crop of 1867 was 2,240,282 bales, of which 1,657,015 bales were shipped to foreign parts, leaving for home consumption 553,267 bales, of which it is estimated that about 60,000 bales were manufactured in the cotton-growing States. In other words, 60,000 bales out of a total of 2,240,282 bales, remained in the States where the cotton was grown, thus showing that the great bulk of the crop was exported and establishing raw cotton as an export beyond all question.

That this constitutional provision applies to the exporting of goods from one State to another in the Union, I desire to call attention to the definition of the word "export" given by Webster. He says that exporting means—

To carry out, to convey, or transport any traffic, produce, or goods, from one country to another, or from one State or jurisdiction to another, either by water or land. We export wares and merchandise from the United States to Europe. The Northern States export manufactures to South Carolina and Georgia.

In the case of Almy *v.* California, the court decided that articles of export *from one State to another could not be taxed.* No court in this country has ever rendered an opinion, not *even excepting the Hylton case*, that is contrary to the contention which I make for the refunding of this money wrongfully exacted from the people of these different States.

We are standing in this demand squarely upon the law as it has been declared, and upon our rights under the Constitution, as those rights have always been conceded. In the case of Pacific Insurance Company *v.* Soule, the learned judge who rendered the opinion in that case said:

The taxing power is given in the most comprehensive terms. The only limitations imposed are that direct taxes, including the capitation tax, shall be apportioned; that duties, imposts, and excises shall be uniform, and that no duty shall be imposed on articles exported from any State. With these exceptions the exercise of the power is in all respects unfettered. (7 Wallace, p. 446.)

In asking the passage of this bill, and insisting upon this measure of retarded justice, I stand squarely upon the law as laid down by the court in the case of Soule. This Government ought to have the right to tax anything and everything when the necessities of the Government require it. But this Government in the exercise of that right should comply strictly with every provision of the Constitution, else constitutional government is a failure. Every man who loves his country and who honors the flag must agree in preserving without variance each and every clause of our organic law as framed and handed down to us by the patriots who planted the seeds of liberty in the friendly soil of this western world.

Since I have referred to the direct tax act of 1861, it may be well, in this place, to refer to other acts amendatory of it, and to certain decisions of the courts construing the same. The acts of June 7, 1862, 12 Stat. L., 422; January 6, 1863, 12 Stat. L., 640; March 3, 1865, 13 Stat. L., 501, and the resolution of February 25, 1867, 14 Stat. L., 568, made provisions for the assessment and collection of this tax.

All these acts were construed by the Court of Claims in the case of Seabrook *v.* United States (21 Court of Claims Reports, 39), Harrison's Case (20 id., 176), and Thompson's Case (20 id., 270). In all these cases it was held that where a tax has been illegally collected, the money should be refunded. And in Miles *v.* Johnson (59 Fed. Rep., 38, 40) it was held that the word "tax" includes *taxes which have been illegally levied*, as well as those which have been *illegally collected, though legally levied.* In nearly all jurisdictions provision is made by statute for the refunding of taxes illegally exacted (27 American and English Encyclopedia of Law (2d ed.) 756–757). And the word "exacted" includes the *levy* as well as the *collection.*

The act of June 8, 1872 (17 Stat. L., 339), restored to the former legal owners all lands then held by the United States under the direct tax acts, upon payment of taxes, interest, expenses, etc., and released the title of the United States to the said lands. And subsequent statutes have, as I have said, refunded the entire amount collected under the act of 1861 and the acts amendatory of it, to the several States. See the act of March 2, 1891, "to credit and pay to the several States and Territories and the District of Columbia all moneys collected under the direct tax levied by the act of Congress approved August 5, 1861." (26 Stat. L., 822.) By this act it was enacted that "it shall be the duty of the Secretary of the Treasury to credit to each State and Territory of the United States and to the District of Columbia a sum equal to all collections by set-off or otherwise made from said States and Territories and the District of Columbia, or from any of the citizens or inhabitants thereof, or other persons, under the act of Congress approved August 5, 1861, and the amendatory acts thereto," and "that all moneys due to the United States on the quota of direct tax apportioned by section 8 of said act are hereby remitted and relinquished." And an appropriation was made of "a sum sufficient to pay all money found due to them under the provisions of this act." In almost every general deficiency bill which has passed this House within twenty years, there has been an appropriation for refunding taxes illegally collected. I will cite only two instances out of many—the act of April 30, 1890 (26 Stat. L., 547), appropriated $31,156.43 "for the refunding of taxes illegally collected." The act of March 3, 1891 (26 Stat. L., 891), appropriated $12,317.42 for the same purpose. Section 3689 of the Revised Statutes contains a general provision requiring all such taxes to be refunded upon application of the party aggrieved.

Now, I claim that the cotton taxes were not only illegally collected, but illegally levied; because, in addition to the violation of the rule of apportionment, Congress, in laying these taxes, also violated the constitutional provision against laying duties on exports from any State, and those provisions relating to due process of law. But a literal compliance with the mandatory provisions of the Constitution, whether affirmative or negative, is a condition precedent to the validity of any law laying taxes on the property of the people. Nor does it matter, therefore, whether this cotton tax was a war tax, as the gentleman from Georgia says it was, or not; for the taxing power is restricted and qualified in respect to all taxation, by all the general limitations which are imposed upon its authority by the Constitution. (Wilkes Co. *v.* Coler, 180 U. S., 506, 525.) The gentleman from Georgia is, however, again mistaken, unquestionably, as to the two last acts, and, in my opinion, the first two also.

Furthermore, these acts violate the fundamental principle of all taxation. We are inclined on any and all occasions to boast that under our beneficent form of government "all men are equal before the law." The rich and the poor, the great and the small, the strong and the weak, we have always been taught, must, in proportion to ability, aid in bearing the burdens of government while permitted to share its blessings.

That principle, which is as fully applicable to the action of the Federal Government as to that of any State, county, or municipal government, was stated by Judge Cooley in the case of The People *v.* Town of Salem (20 Mich., 452, 474), as follows:

> The tax must be laid according to some rule of apportionment, not arbitrarily or by caprice, but so that the burden may be made to fall with something like impartiality upon the persons or property upon which it justly and equitably should rest. A State burden is not to be imposed upon any territory smaller than the whole State, nor a county burden upon any territory smaller or greater than the county. Equality in the imposition of the burden is of the very essence of the power itself, and though absolute equality and absolute justice are never attainable, the adoption of some rule tending to that end is indispensable.

Under this legislation the Government of the United States collected, mainly from the people of the Southern States, who had no voice in laying these taxes, the sum of $68,072,388.99, and disposed of that sum as it did of legitimate revenue. Every man, no matter from what State he hails, or what may be his politics, should support this measure as an act of simple justice to the people who were wronged. In all fairness, that sum should be refunded to those from whom it was extorted, and I believe that the bill I have introduced to that end should have the support of every fair-minded man in Congress.

Mr. GOULDEN. I would like to ask the gentleman if that included all the taxes collected on cotton from 1861 to 1868?

Mr. CLARK of Florida. That included all the money under the four acts of Congress collected and accounted for.

Mr. SIMS. That includes all that went into the Treasury of the United States?

Mr. CLARK of Florida. Yes.

Mr. SIMS. But a great deal was collected that never went into the Treasury, and I do not understand that this makes the Government liable for that.

Mr. CLARK of Florida. No; only for the principal collected and accounted for by being paid into the Treasury of the United States. No interest is asked, simply the principal.

Surely, those who were compelled to pay these unconstitutional taxes should not be treated worse than those persons who, acting under the provisions of the sugar-bounty law, spent money in improvements and machinery needed for the production of sugar. When the sugar bounty was declared unconstitutional by the Court of Appeals of the District of Columbia (Miles Planting Co. *v.* Carlisle, 5 D. C., App. 138), Congress refunded to them, by the act of 1895, the money which they had expended in accordance with the act of 1890, known as the "McKinley bill." In construing the act of 1895, the Supreme Court of the United States, in the celebrated Sugar Bounty Case (United States *v.* Realty Co., 163 U. S., 442–443), said:

> Among the latest examples of payments that are not of a right or of any legal claim, but which are in the nature of a gratuity depending upon equitable considerations, are the cases just decided by this court of Blagge *v.* Balch, Brooks *v.* Codman, and Foote *v.* Women's Board of Missions, reported as one case in 162 U. S., 439. The claims in those cases are what have been known as the "French spoliation claims," being based upon depredations of French cruisers upon our commerce prior to July, 1801. An appropriation for their payment was made by Congress in 1891 upon the conditions and to the class of persons named in the act. Questions arose as to the proper interpretation of the act and as to the character of the payments provided for therein. This court held the payments were purposely brought by Congress within the category of payments that are not of right, but which are in the nature of a gratuity and as an act of grace, though founded upon a prior moral or honorable obligation to pay to some one who might be said in some way to represent the original sufferers. No question of the power of Congress to make such appropriation was raised by anyone.
>
> The power to provide for claims upon the State founded in equity and justice has also been recognized as existing in the State governments. For example, in Guilford *v.* Chenango County (13 N. Y., 143), it was held by the New York court of appeals that the legislature was not confined in its appropriation of public moneys to sums to be raised by taxation in favor of individuals to cases in which legal demands existed against the State, but that it could recognize claims founded in equity and justice in the largest sense of these terms or in gratitude or in charity.
>
> Of course, the difference between the powers of the State legislatures and that of the Congress of the United States is not lost sight of, but it is believed that in relation to the power to recognize and to pay obligations resting only upon moral considerations or upon the general principles of right and justice, the Federal Congress stands upon a level with the State legislature.
>
> In truth, the general proposition that Congress can direct the payment of debts which have only a strong moral and honorable obligation for their support is not, as we understand it, denied by the learned counsel for the United States.

No one can deny that the claim of the cotton planters is altogether as valid as the "sugar-bounty claims" or the "French spoliation claims." The cotton planters acted under the guaranty of the Constitution of the United States, that their products should not be taken from them without just compensation or due process of law, unless by means of direct taxes apportioned among the several States according to numbers. This guaranty was violated by the Federal Government. Under the guise of taxation, the Government compelled them to contribute a large portion of their property to public uses. In the "Income tax cases" it was clearly demonstrated that any law of this kind was invalid. What, then, is the legal consequence? Is it not clear that the Government assumed the responsibility of refunding to those from whom it took the money in question every cent so taken? But for the prevalence of sectional ill-feeling, these claims would have been paid thirty-three years ago. In the Forty-third Congress bills were introduced, with that end in view, by Mr. McKee of Mississippi, by Mr. White of Alabama on behalf of Mr. Alexander H. Stephens of Georgia, by Mr. Blount of Georgia, and also by Mr. Sheldon and Mr. Cook. In the Forty-fourth Congress a similar bill was introduced by Mr. Roger Q. Mills of Texas. These bills, respectively, were: H. R. 2250, Forty-third Congress, first session, to refund certain taxes collected by the Government of the United States on raw cotton during the years 1865, 1866, 1867, and 1868, introduced March 2, 1874, by Mr. McKee; H. R. 2338, Forty-third Congress, first session, to refund the cotton tax, introduced by Mr. White, on behalf of Mr. Stephens, who was absent on account of sickness; H. R. 1076, Forty-third Congress, first session, to refund taxes collected by the United States on raw cotton during the years 1863, 1864, 1865, 1866, 1867, 1868, introduced by Mr. Cook; H. R. 1632, Forty-third Congress, first session, to extend the time for collecting the cotton tax and reviving such claims as are now barred, introduced by Mr. Blount; H. R. 3448, Forty-third Congress, first session, to refund the cotton tax, introduced by Mr. Sheldon; H. R. 982, Forty-fourth Congress, first session, refunding the cotton tax to the producer of the cotton, introduced by

Mr. Mills. All of these bills except Mr. Blount's were referred to the Committee on Ways and Means, but were never reported back. The men who prepared them were among the best lawyers then in Congress; but the animosities engendered by the late war were still too strong to secure for them a respectful hearing.

Another reason and a very cogent one and one which should appeal strongly to the conscience of Congress, is the fact that when these taxes were levied, when these acts of Congress were enacted, the eleven States affected by them and which had to bear the burden of over sixty millions of dollars of taxation, had no representatives in either branch of this Congress; no representative in this House and no Senator at the other end of the Capitol was here to raise his voice or to cast his vote on these questions which so vitally affected the impoverished people of the eleven cotton-growing States.

Therefore, Mr. Chairman, that provision of the Constitution with reference to representation and taxation was violated. It seems to me that this objection to the validity of the taxes in question ought to appeal more strongly, if possible, to the conscience of Congress than even the other clauses which were violated by these different acts. The Constitution says:

Representation and direct taxes shall be apportioned among the several States which may be included within this Union according to their respective numbers.

'It has been said that—

representation constitutes the genius of this Government, and to impose taxes or burdens without it is to change its character, but for taxation without representation the Government itself would never have existed.

The stamp act, the act placing a duty on tea, and other acts of the British Parliament brought on the Revolution on the ground pure and simple that it was legislation without representation. [Applause.] This government had its origin in the protest of the fathers against taxation without representation. In 1766 on the question of the repeal of the stamp act in the British Parliament Lord Camden, formerly Chief Justice Pratt, said:

My proposition is this:
"I repeat it and will maintain it to the last hour. Taxation and representation are inseparable. Opposition is founded in the law of nature. For whatsoever is a man's own, it is absolutely his own. No man has the right to take it from him without his consent. Whoever attempts to do it does him an injury. Whoever does it commits a robbery." (See 5 Bancroft's History, pp. 446–48.)

In discussing the question of the right of Parliament to tax America, William Pitt in the House of Commons said:

I will only speak to one point—the point which seems not to have been generally understood. I mean the right some gentlemen seem to have considered it a point of honor. If gentlemen consider it in that light they leave all measures of right and wrong to follow a delusion that may lead to destruction. It is my point that this kingdom has no right to lay a tax on the colonies. At the same time, I assert the authority of this kingdom over the colonies to be sovereign and supreme in every circumstance of government and legislation whatsoever. They are the subjects of this kingdom, entitled with yourselves to all the rights of mankind and the peculiar privileges of Englishmen, equally bound by its laws and equally participating in the constitution of this free country. The Americans are the sons of England. Taxation is no part of the governing or legislative power. The taxes are a voluntary gift and grant.

Mr. Pitt took this position solely on the ground that the colonies were not represented, and it must be remembered that taxation without representation was the great rallying cry of the colonists and their chief cause of complaint when they severed their relations with the mother country.

James Burgh, the celebrated Scotchman, in discussing this same question, said:

No pretext can justify taxing them (the colonies) so long as they continue unrepresented.

The States affected by the cotton taxes were not only not represented when these several tax acts were enacted, but they *were positively denied representation in both the Senate and House of Representatives by solemn resolution of both bodies.*

In December, 1865, the House of Representatives passed a resolution to this effect:

That all papers which may be offered relative to the representation of the late so-called Confederate States of America, or either of them, shall be referred to the joint committee of fifteen without debate, and no members shall be admitted from either of said so-called States, until Congress shall declare said States, or either of them, entitled to representation.

On February 20, 1866, the House passed, and on March 2, 1866, the Senate passed, this resolution:

Resolved by the House of Representatives (the Senate concurring), That in order to close agitation on the question which seems likely to disturb the action of the Government, as well as to kill the uncertainty which is agitating the minds of the people of the eleven States which have been declared to be in insurrection, no Senator or Representatives shall be admitted into either branch of Congress from any of said States until Congress shall have declared such State entitled to representation.

As it has been repeatedly held by the Federal courts, and by all the departments of government, that these States were *never out of the Union,* you have here a Congress *denying them representation* and at the same time *exacting taxes from them.* "Taxation without representation is robbery." The remarkable spectacle was presented to the world of *eleven States of this Republic solemnly declared by the different departments of government to be States in the Federal Union,* yet by solemn resolution *denied representation in the law-making body,* and that law-making body *exacting taxes from them on their principal product of over sixty millions of dollars.* Surely now that the clouds of civil war have vanished and sectional hate, we are told, lies buried never to be resurrected, in this day of national unity and general good feeling and brotherly love, you will refund to us these moneys that have been wrongfully, unjustly, unconstitutionally, and illegally exacted.

In 1868 Congress repealed the tax on raw cotton. Why should this tax have been repealed? If the tax were just and constitutional and right, why repeal it? If it was constitutional and proper in 1862, 1864, 1866, and 1867, why was it not constitutional and right in 1868? And if it were constitutional why not retain it?

But, Mr. Chairman, we are not left to these old decisions for comfort. The Supreme Court of the United States has more recently passed upon this question in the case of Pollock *v.* Farmers' Loan and Trust Company. As reported in United States Supreme Court Reports, vol. 158, at page 601, the Supreme Court of the United States has *squarely* and *fairly declared* these taxes to be *illegal* and *unconstitutional.* In the case stated, Hylton *v.* The United States (3 Dallas, p. 171), is further considered, and in view of the historical evidence cited, shown to have only decided that the "tax on carriages involved *was an excise* and was an *indirect tax.*"

Chief Justice Fuller in rendering the opinion in that case, said:

In distributing the power of taxation the Constitution retained to the States the absolute power of direct taxation, but granted to the Federal Government the power of the same taxation upon condition that in its exercise such taxes should be apportioned among the several States according to numbers, and this was done in order to protect the States which were surrendering to the Federal Government so many sources of income, the power of direct taxation which was their principal remaining resource.

The Chief Justice further said:

Taxes on real estate being indisputably direct taxes, taxes on the lands or incomes of real estate are clearly direct taxes.

Again he said:

Taxes on personal property or on the income of personal property are likewise direct taxes.

The Chief Justice further in the decision uses this language:

The tax imposed by sections 27 to 37, inclusive, of the act of 1894, so far as it applies to the income of real estate and of personal property, being a direct tax within the meaning of the Constitution and therefore unconstitutional and void because not apportioned according to representation of those sections constituting one entire scheme of taxation, is necessarily invalid.

These were the "income tax cases," and it will be remembered that the Chief Justice and four of his associates concurred in the opinion rendered by the majority of the court. It is true that four Associate Justices—namely, Mr. Justice Harlan, Mr. Justice Brown, Mr. Justice White and Mr. Justice Jackson—dissented from the opinion, Mr. Justice Harlan using this language:

The recent civil war involving the very existence of the nation, was brought to a successful end, and the authority of the nation restored in part by the use of vast amounts of money raised under statutes imposing duties on income derived from every kind of property, real and personal, not by the unequal rule of apportionment among the States on the basis of numbers, but by the rule of uniformity operating upon individuals and corporations in all the States, and we are now asked to declare, and the judgment this day rendered in effect declares, that the enormous sums thus taken from the people and so used were taken in violation of the supreme law of the land.

There can be no possible question in view of the decision of the court in the "income tax cases" that it is the duty of Congress to refund the moneys collected by virtue of these tax statutes. [Applause.] It is said by some that Congress can not afford to do it because it involves such a large amount of money, more than sixty-eight millions of dollars. But when gentlemen view the case from that standpoint they must remember that the Government has had the use of this sixty-eight million dollars for forty years and more; that it was originally wrung from the lean purses of people who were impoverished by four years of cruel, ceaseless war; that it was wrung from the lean purses of people whose homes had been laid in ashes, and whose every household was in mourning. They must remember that this money was taken from people who had no voice in the levying of it; that it was taken from a people who could least afford to bear the burden, and that now, after this rich, powerful government has had the use of it without interest for more than forty years, these people are simply asking

that the principal be refunded. The Supreme Court of the United States has said, in effect, *that it ought to be refunded;* has said, in effect, that *it would not be honest on the part of the Government to retain it.* [Applause.]

And just here, Mr. Chairman, I desire to say that my attention was called to this matter by a venerable statesman of this country, who gave most of his years in the service of his country in this House and as a soldier in the Union Army. The Hon. Charles H. Grosvenor, who was a member of the last Congress, and who for more than twenty years represented his district in this House, first called my attention to this matter and urged that we, who were primarily interested in behalf of our constituents, should make an effort to have the Government act justly toward our people.

On the 9th of the present month I addressed a letter to General Grosvenor, a copy of which I shall read.

And I want to say here, Mr. Chairman, before I read it, that being the son of a Confederate soldier, living all my life in the South, imbued and filled with every sentiment that ever nerved and actuated that people, I am glad to know that men like this man who at times in my life I have thought were unnecessarily bitter—I am glad to know that in these latter days he, and people like him, of the North, commanding in their influence, loyal to their country, loyal to their States, loyal to every interest of this great Republic, are disposed to wipe out the last remaining differences between us, and treat us as citizens of the United States in very truth.

[Applause.]

JANUARY 9, 1908.

Hon. CHAS. H. GROSVENOR,
Athens, Ohio.

MY DEAR GENERAL: On the first day of the present session of Congress I introduced a bill to refund the taxes collected under the several acts of Congress levying a direct tax on raw cotton. I was inspired to introduce and undertake to pass this bill by remarks which you made to me during a conversation we had during the last days of the Fifty-ninth Congress. I intend before many days to address the House in support of my bill, and desire to quote you on the subject, but as what you said to me was in course of an informal private conversation, I do not care to quote you without your consent. Again, I might, in just relying on my memory, misrepresent you, and of course I do not desire to do that.

My recollection is that you said to me substantially while we were discussing what is called the illegal cotton tax, that the levy and collection of these taxes were wrong, illegal, and unconstitutional, that the Supreme Court had so decided, and that there was no valid reason on earth why the money collected should not be refunded to the rightful owners, or to the States.

Am I right as to this? I will certainly appreciate it very much if you will write me fully upon this subject, and give me permission to use your letter in connection with my speech. I will also appreciate it if you will cite me to the decision of the Supreme Court you referred to wherein these tax acts were held to be unconstitutional.

Thanking you in advance for your kind attention to this matter and with best wishes,

I am yours, most truly,

FRANK CLARK.

A few days since I received this reply:

ATHENS, OHIO, *January 13, 1908.*

Hon. FRANK CLARK,
Washington, D. C.

DEAR SIR: I have your letter of January 9th. My recollection of our conversation is substantially the same as related by you. I understood myself then, as I understand now, that the practical effect of the Supreme Court decisions had been to hold the cotton tax unconstitutional. It is possible that I may be wrong, but you are at entire liberty to quote me if it is of the smallest benefit to you.

With kind regards, yours truly,

C. H. GROSVENOR.

[Applause.]

I desire now to ask permission to print in the RECORD an abstract of the history of efforts that have been made in the past looking to a refund of these taxes. In doing this I shall incorporate a brief statement of each bill introduced at different times by different Members of Congress some years back. I do not pretend to give them all, nor do I give them in chronological order, but I present these to show that our people can not be charged with laches in this matter.

Those that I have been able to find are as follows:

[H. R. 2354, Fifty-third Congress, first session. By Mr. Enloe.]

That the Secretary of the Treasury issue to the governors of the several States in which cotton taxes were paid United States bonds in amounts specified for each State and equal to the amount of taxes collected within the State. These bonds to be held by said States, to be refunded and distributed to the parties who paid the tax. In case of a surplus remaining, the funds to be devoted to the school fund.

(There was no report on this bill.)

[H. R. 281, Fifty-third Congress, first session. By Mr. Money.]

That the Secretary of the Treasury issue noninterest-bearing Treasury notes in such denominations as may be deemed expedient to the several States in amounts equal to the cotton taxes collected therein, as indicated by the internal-revenue report. That the sum so paid shall be held in trust by the several States for the benefit of the cotton producers, to be paid to them under such provisions as each State may deem it proper to make. In case the producer can not be reimbursed, the sum not distributed shall become the property of the State. The claims must be filed with each State within two years after the passage of an act by such State providing for the distribution of the money refunded. That these notes shall become legal tender and shall not be canceled by the United States when received at the Treasury, but used as other money.

(No report.)

[H. R. 2356, Fifty-third Congress, first session, is same as 2354.]

[H. R. 196, Fifty-third Congress, first session. By Mr. Wheeler.]

That the Secretary of the Treasury shall pay money equal to the amount collected in cotton taxes to each State, said State to designate who shall be custodian of the fund. In case the tax was paid by the person to whom the cotton was shipped residing in another State, the State where said cotton was grown shall be the recipient.

(No report.)

[H. R. 138, Fifty-third Congress, first session. By Mr. Oates.]

In the case of the Supreme Court holding the law under which cotton taxes were collected unconstitutional, any citizen who had paid the tax shall be permitted to bring suit for its recovery in the Court of Claims. Within 60 days after judgment, either the petitioner or the United States shall have the right of appeal to the Supreme Court, and when such appeal shall have been taken the court shall not try any case until the appeal case has been decided. The Court of Claims shall decide all suits which are brought within one year of the Supreme Court's holding the original tax law to be unconstitutional.

(No report.)

[H. R. 124, first session, Fifty-third Congress. By Mr. McRae.]

That the Secretary of the Treasury pay to each State a sum equal to the cotton taxes collected therein. The said States to pay to such producers as shall make claim within two years after the passage of this act. The remainder, if any, shall be used as a permanent school fund. In no case shall payment be made to any assignee of such claim.

(No report.)

[H. R. 2640, first session, Fifty-second Congress, is same as 124, first session, Fifty-third Congress. No report.]

[H. R. 2607, same as H. R. 196, first session, Fifty-third Congress. No report.]

[H. R. 650, first session, Fifty-second Congress, same as 2354, first session, Fifty-third Congress. No report.]

[H. R. 8365, first session, Fifty-second Congress. By Mr. Oates.]

This bill is same as introduced by Mr. Oates in Fifty-third Congress. The House report is 2528, first session, Fifty-second Congress.

[H. R. 8366, first session, Fifty-second Congress. By Mr. Oates.]

That the Secretary of the Treasury pay to each State an amount equal to the cotton tax collected within said State, to be disposed of by such State as their next legislatures shall direct.

(No report.)

[H. R. 700, second session, Forty-second Congress. By Mr. Golladay.]

That the Secretary of the Treasury refund to all persons the cotton tax collected by the United States, and that he shall make such rules as he may deem necessary in connection therewith.

(No report.)

[H. R. 1592, second session, Forty-second Congress. By Mr. McKee.]

That restitution shall be made of all moneys collected as cotton taxes. That the Secretary of the Treasury shall issue bonds of $500 and $1,000 denomination and Treasury notes to cover amounts less than that. That a commission shall be appointed by the President by and with the advice and consent of the Senate which shall adjudicate all claims. That such commission shall sit for two years and all claims must be filed within that time. (The rest of this long bill prescribes the manner of taking testimony and the duties and powers of the commission.)

(No report.)

And also I shall attach to my remarks and print in the RECORD copious extracts from the opinion of the court, as well as from the dissenting opinion of the justices in the "income tax cases." It will be seen by these extracts, I am quite sure, that every contention which I have made is amply sustained by the highest court in the land—the most exalted judicial tribunal in all the world:

[Pollock *v.* Farmers' Loan and Trust Co. U. S. Supreme Court Reps., vol. 157, page 429.]

Chief Justice Fuller:

"The men who framed and adopted that instrument (the Constitution) had just emerged from the struggle for independence, whose rallying cry had been that 'taxation and representation go together.'"

* * * * * * *

"The mother country had taught the colonists in the contests waged to establish that taxes could not be imposed by the sovereign except as they were granted by the representatives of the realm, that self-taxation constituted the main security against oppression."

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"Thus, in the matter of taxation, the Constitution recognizes the two great classes of direct and indirect taxes, and lays down two rules by which their imposition must be governed, namely, the rule of apportionment as to direct taxes, and the rule of uniformity as to duties, imposts, and excises."

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"And this view was expressed by Mr. Chief Justice Chase in The License Tax Cases, 5 Wall., 464–471, when he said: 'It is true that the power of Congress to tax is a very extensive power. It is given in the Constitution, with only one exception and only two qualifications. Congress can not tax exports, and it must impose direct taxes by the rule of apportionment, and indirect taxes by the rule of uniformity. Thus limited, and thus only, it reaches every subject, and may be exercised at discretion.'"

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"Ordinarily all taxes paid primarily by persons who can shift the burden upon some one else, or who are under no legal compulsion to pay them, are considered indirect taxes; but a tax upon property holders in respect of their estates, whether real or personal, or of the income yielded by such estates, and the payment of which can not be avoided, are direct taxes."

* * * * * * *

"In the Convention of Massachusetts by which the Constitution was ratified, the second section of Article I being under consideration, Mr. King said: 'It is a principle of this Constitution that representation and taxation should go hand in hand.'"

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"And John Adams, Davis, Sumner, King, and Sedgwick all agreed that a direct tax would be the last source of revenue resorted to by Congress.

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"In Virginia, Mr. John Marshall said: 'The objects of direct taxes are well understood; they are but few; what are they? Lands, slaves, stock of all kinds, and a few other articles of domestic property.'"

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Mr. Randolph said:

"But in this new Constitution there is a more just and equitable rule fixed—a limitation beyond which they cannot go. Representatives and taxes go hand in hand; according to the one will the other be regulated. The number of representatives is determined by the number of inhabitants; they have nothing to do but to lay taxes accordingly."

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In discussing the case of Hylton *v.* United States (carriage-tax case), the Chief Justice says: "It will be perceived that each of the justices, while suggesting doubt whether anything but a capitation or a land tax was a direct tax within the meaning of the Constitution, distinctly avoided expressing an opinion upon that question or laying down a comprehensive definition, but confined his opinion to the case before the court."

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"By the act of July 14, 1798, when a war with France was supposed to be impending, a direct tax of two millions of dollars was *apportioned* to the States, respectively," etc.

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"By the act of August 2, 1813, a direct tax of three millions of dollars was laid and *apportioned* to the States."

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"The act of January 9, 1815, laid a direct tax of six millions of dollars, which was *apportioned,* assessed," etc.

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These acts are attributable to the war of 1812.

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The act of August 5, 1861 (12 Stat., 292–294, C. 45), imposed a tax of twenty millions of dollars, which was *apportioned* and to be levied wholly on real estate, and also levied taxes on incomes whether derived from property or profession, trade or vocation (12 Stat. L., 309), and this was followed by the acts of July 1, 1862 (12 Stat. L., 432, 473, C. 119); Mar. 3, 1863 (12 Stat. L., 713, 723, C. 74); June 30, 1864 (13 Stat. L., 223, 281, C. 173); Mar. 3, 1865 (13 Stat. L., 469, 479, C. 78); Mar. 10, 1866 (14 Stat. L., 4, C. 15); July 13, 1866 (14 Stat. 98, 137, C. 184); Mar. 2, 1867 (14 Stat. 471, 477, C. 169), and July 14, 1870 (16 Stat., 256, C. 255).

He finds:

1st, That the distinction between direct and indirect taxation was well understood by the framers of the Constitution and those who adopted it.

2d, That under the State systems of taxation all taxes on real estate or personal property or the rents or income thereof were regarded as direct taxes.

3d, That the rules of apportionment and of uniformity were adopted in view of that distinction and those systems.

4th, That whether the tax on carriages was direct or indirect was disputed, but the tax was sustained as a tax on the use and an excise.

5th, That the original expectation was that the power of direct taxation would be exercised only in extraordinary exigencies, and down to August 15, 1894, this expectation has been realized.

In Pacific Insurance Co. *v.* Soule, 7 Wall., 433, the validity of a tax which was described as "upon the business of an insurance company" was sustained on the ground that it was "a duty or excise," and came within the decision in Hylton's case.

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"In Veazie Bank *v.* Tenno (8 Wall., 533, 544, 546) a tax was laid on the circulation of State banks or national banks paying out the notes of individuals or State banks, and it was held that it might well be classed under the head of duties, and as falling within the same category as Soule's case, 8 Wall., 547."

"And, in respect of the opinions in Hylton's case, the Chief Justice (Chase) said:

"It may further be taken as established upon the testimony of Paterson, that the words direct taxes, as used in the Constitution, comprehended only capitation taxes and taxes on land, and perhaps taxes on personal property by general valuation and assessment of the various descriptions possessed within the several States."

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"Scholey *v.* Rew (23 Wall., 331) was the case of a succession tax which the court held to be "plainly an excise tax or duty" upon the devolution of the estate or the right to become beneficially entitled to the same, or the income thereof, in possession or expectancy."

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"In Railroad Company *v.* Collector (100 U. S., 595, 596) the validity of a tax collected of a corporation upon the interest paid by it upon its bonds was held to be 'essentially an excise on the business of the class of corporations mentioned in the statute.'"

The case of "Springer *v.* United States (102 U. S., 586, 602), chiefly relied on and urged upon us as decisive.

"That was an action of ejectment brought on a tax deed issued to the United States on sale of defendant's real estate for income taxes. The defendant contended that the deed was void because the tax was a direct tax, not levied in accordance with the Constitution. Unless the tax were wholly invalid, the defense failed."

The opinion thus concludes:

"Our conclusions are, that *direct taxes,* within the meaning of the Constitution, are only capitation taxes, as expressed in that instrument, and taxes on real estate; and that the tax of which the plaintiff in error complains is within the category of an excise or duty."

While (says Chief Justice Fuller) this language is broad enough to cover the interest as well as the professional earnings, the case would have been more significent as a precedent if the distinction had been brought out in the report and commented on in arriving at judgment, for a tax on professional receipts might be treated as an excise or duty, and therefore indirect, when a tax on the income of personalty might be held to be direct.

Be this as it may, it is conceded in all these cases, from that of Hylton to that of Springer, that taxes on land are direct taxes, and in none of them is it determined that taxes on rents or income derived from land are not taxes on land.

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The requirement of the Constitution is that no direct tax shall be laid otherwise than by apportionment—the prohibition is not against direct taxes on land, from which the implication is sought to be drawn that indirect taxes on land would be constitutional, but it is against all direct taxes—and it is admitted that a tax on real estate is a direct tax. Unless, therefore, a tax upon rents or income issuing out of lands is intrinsically so different from a tax on the land itself that it belongs to a wholly different class of taxes, such taxes must be regarded as falling within the same category as a tax on real estate *eo nomine.* The name of the tax is unimportant. The real question is, is there any basis upon which to rest the contention that real estate belongs to one of the two great classes of taxes, and the rent or income which is the incident of its ownership belongs to the other? We are unable to perceive any ground for the alleged distinction. An annual tax upon the annual value or annual user of real estate appears to us the same in substance as an annual tax on the real estate, which would be paid out of the rent or income. This law taxes the income received from land and the growth or produce of the land. Mr. Justice Paterson observed in Hylton's case, "Land, independently of its produce, is of no value;" and certainly had no thought that direct taxes were confined to unproductive land.

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Nothing can be clearer than that what the Constitution intended to guard against was the exercise by the General Government of the power of directly taxing persons and property within any State through a majority made up from the others States. It is true that the effect of requiring direct taxes to be apportioned among the States in proportion to their population is necessarily that the amount of taxes on the individual taxpayer in a State having the taxable subject-matter to a larger extent in proportion to its population than another State has would be less than in such other State, but this inequality must be held to have been contemplated, and was manifestly designed to operate to restrain the exercise of the power of direct taxation to extraordinary emergencies, and to prevent an attack upon accumulated property by mere force of numbers.

* * * * * * *

But the acceptance of the rule of apportionment was one of the compromises which made the adoption of the Constitution possible, and secured the creation of that dual form of government, so elastic and so strong, which has thus far survived in unabated vigor. If, by calling a tax indirect when it is essentially direct, the rule of proportion could be frittered away, one of the great landmarks defining the boundary between the nation and the States of which it is composed would have disappeared, and with it one of the bulwarks of private rights and private property.

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We are of opinion that the law in question, so far as it levies a tax on the rents or income of real estate, is in violation of the Constitution, and is invalid.

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Mr. Justice Field:

"First calls attention to the debates in the 'convention' and particularly to the unwillingness of the coast States to relinquish their right to levy duties upon imports, and of the small interior States to confer upon the General Government the right to levy direct taxes, and says: 'It was feared at times that the effort to form a new government would fail. But happily a compromise was effected by an agreement that direct taxes should be laid by Congress by *apportioning them among the States according to their representation.* In return for this concession by some of the States, the other States bordering on navigable waters consented to relinquish to the new government the control of duties, imposts, and excises, and the regulation of commerce, with the condition that the duties, imposts, and excises should be *uniform throughout the United States;* so that on the one hand, anything like oppression or undue advantage of any one State over the others would be prevented by the apportionment of the direct taxes among the States according to their representation, and, on the other hand, anything like oppression or hardship in the levying of duties, imposts and excises would be avoided by the provision that they should be uniform throughout the United States. This compromise was essential to the continued union and harmony of the States. It protected every State from being controlled in its taxation by the superior numbers of one or more other States.'"

* * * * * * *

"If the court sanctions the power of discriminating taxation and nullifies the uniformity mandate of the Constitution," as said by one who has been all his life a student of our institutions, "it will mark the hour when the sure decadence of our present Government will commence."

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"There is no safety in allowing the limitation to be adjusted except in strict compliance with the mandates of the Constitution, which require its taxation, if imposed by direct taxes, to be apportioned among the States according to their representation, and if imposed by indirect taxes, to be uniform in operation and, so far as practicable, in proportion to their property, equal upon all citizens."

I also ask permission to print in the RECORD and as a part of my remarks Report No. 2528, made in the Fifty-second Congress at the second session by Mr. Oates, a Member of Congress from the State of Alabama, from the Committee on the Judiciary:

[House Report No. 2528, Fifty-second Congress, second session.]

The Committee on the Judiciary, having had under consideration the bill (H. R. 8365) entitled "A bill to provide for refunding the tax laid and collected on raw cotton in the event that the Supreme Court holds the law under which the same was collected to have been unconstitutional," make to the House the following report:

By act of Congress approved July 1, 1862, and subsequent amendatory acts, a tax was imposed on raw cotton, under which collections were made and the money paid into the Treasury of the United States, aggregating $68,072,388.99. This money was collected in the years 1863 to 1868, both inclusive.

At the beginning of the late war a large part of the crop of 1860 was held by brokers and factors in the Northern States for the benefit

of the producers. A large part of the crop of 1861 in the border States, also, went into the hands of Northern factors, which accounts for the fact that a considerable amount of this tax was collected in New York, Philadelphia, and other points in the Northern States, but all of the cotton upon which the tax was thus collected was grown exclusively in the Southern States. This tax was enforced and collected upon all these cottons as well as those grown subsequent to its enactment; $64,935,121.56 of this tax was collected in the Southern States, either directly or indirectly, from the producers.

Section 8 of Article I of the Constitution empowers Congress to lay and collect taxes, duties, imposts, and excises for three general purposes, viz, first, to pay the debts of the United States; second, to provide for the common defense of the United States, and, third, to provide for the general welfare of the United States. The latter part of that section contains the following restriction upon this exercise of power: "But all duties, imposts, and excises shall be uniform throughout the United States."

Subdivisions 4 and 5 of section 9 are as follows: "No capitation or other direct tax shall be laid unless in proportion to the census or enumeration hereinbefore directed to be taken;" and "no tax or duties shall be laid on articles exported from any State."

The original act taxing cotton read as follows:

"There shall be paid by the producer, owner, or holder, upon all cotton produced within the United States, * * * a tax of two cents per pound," etc. The last one of the amendatory acts in relation to said tax was approved July 13, 1866, entitled "An act to reduce internal taxation," etc., but in fact it increased the tax imposed upon cotton from 2 to 3 cents per pound. Under this latter amendment three-fourths of the total amount of the tax was collected. It will therefore be observed that it was not a war tax, but enacted more than a year after the peace. It is yet an open question as to whether these acts were constitutional. If the tax laid was a direct one, then it is unquestionably unconstitutional for want of uniformity in apportionment. If the tax laid on raw cotton was indirect, it was constitutional, unless it was a tax upon exports, in which latter event it was unconstitutional.

The question of the constitutionality of the laws laying this tax was brought before the Supreme Court of the United States in the case of Sanders, from Tennessee, and very ably argued upon both sides before that tribunal. Eight of the justices sat in the case. Chief Justice Chase being indisposed did not sit in the case, and after full consideration the court was found to be equally divided, four justices maintaining that the acts were unconstitutional and four maintaining that they were constitutional. Before the question could be again presented the law was repealed, after which a case could not be made. If this tax was imposed by a constitutional law, however oppressive its operation upon the people of the Southern or cotton-growing States, there is no legal ground or claim for refunding the tax. On the other hand, if the law imposing the tax was unconstitutional, the money was wrongfully collected and there is an implied promise upon the part of the Government to refund it; or, in other words, it is a debt against the United States which should be paid.

A great many people, and among them many of the very best lawyers in the country, believe that the law was unconstitutional. The argument of ex-Justice John A. Campbell before the Supreme Court is very convincing. The Government of the United States is one which proceeds in all of its civil operations according to law, and it never was intended to be administered in any of its Departments otherwise. Your committee think the question of sufficient importance to provide a means by which the Supreme Court may determine the question of constitutionality and thereby forever set at rest the question as to whether this large sum collected as taxes was rightfully or wrongfully collected. The bill provides for opening the Court of Claims to those who paid the tax, until a case is made and appealed to the Supreme Court, and then for a stay of proceedings until that court decides the question; and should the court hold the acts to be unconstitutional, it allows one year thereafter to all persons interested to bring their suits in said Court of Claims. On the contrary, if the law is sustained, that would put an end to all these claims.

Your committee, therefore, believing it just, report said bill favorably to the House and recommend its passage.

Mr. Chairman, I have placed in the RECORD as part of my remarks an abstract statement with reference to several bills that have heretofore been introduced in relation to this matter. They were introduced years ago when the feeling of humanity and broherly love between the sections was not such as it is now, and, of course, no relief was expected. The gentleman from Alabama [Mr. HEFLIN], I believe, deserves credit for renewing interest in this matter, because he introduced a bill looking to the refunding of this money in the first session of the Fifty-ninth Congress. The gentleman from North Carolina [Mr. THOMAS] has also introduced a bill looking to that same result. The gentleman from Tennessee [Mr. SIMS] has likewise introduced one; the gentleman from Ohio [Mr. ANSBERRY] has likewise introduced a bill of the same character, and various other gentlemen have introduced bills of like character. I want to say now, Mr. Chairman, in conclusion, that I, as a Southern man and the son of a Southern soldier, am opposed absolutely to the bill of the gentleman from Alabama to pension Confederate soldiers by the United States Government. [Applause on the Democratic side.]

Mr. HEFLIN. Mr. Chairman, I would lie to ask the gentleman to whom he refers, what gentleman from Alabama.

Mr. CLARK of Florida. The gentleman from Alabama, Mr. HOBSON. I am opposed to it because as a Representative upon this floor I do not believe it is right. I do not believe it is a proper charge against the Government of the United States. I am opposed to it in the second place because our own States will take care of these veterans of the "lost cause." We will tax ourselves to care for them, and we will cheerfully aid in caring for Union veterans besides. [Applause on the Democratic side.] No, Mr. Chairman, I will never be found upon this floor asking this Congress for charity to the people whom I represent. I am asking in this bill that this Congress be just to those people; that this Congress pay them the money that is their due, and that has been wrongfully, unconstitutionally, and illegally taken from their pockets. No charity is asked, and never will be; all that we ask is simple, naked, even-handed justice under the Constitution of our country. [Applause on the Democratic side.]

Mr. THOMAS of North Carolina. Mr. Chairman, before the gentleman sits down I would like to ask him a question.

The CHAIRMAN. Does the gentleman yield?

Mr. CLARK of Florida. Yes.

Mr. THOMAS of North Carolina. I have listened, Mr. Chairman, with a great deal of interest to the very eloquent speech of the gentleman from Florida, which is perhaps the most exhaustive discussion of this question we have ever had. I perhaps was not attentive at the time, but I want to ask the gentleman from Florida if a considerable portion of these taxes if refunded would not go to the States of the North?

Mr. CLARK of Florida. About eight millions of dollars would go north and about sixty million dollars south.

Mr. THOMAS of North Carolina. I want to ask the gentleman this further question. I understood from his argument, and that is my understanding of the decisions of the Supreme Court, that in the case of the Farmers' Loan and Trust Company the court reverses the former decision of the Supreme Court and holds substantially that this tax was an unconstitutional tax.

Mr. CLARK of Florida. Absolutely. The dissenting opinion of Mr. Justice Harlan admits that. He distinctly calls attention to the fact that under the decision of the court vast sums of money must be returned to the people.

Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LITTLEFIELD. Mr. Chairman, I was given ten minutes for general debate by the chairman of the committee, and if it does not conflict I would like to use it now.

Mr. TAWNEY. I will say to the gentleman from Maine, Mr. Chairman, that there has been more time consumed this morning than I anticipated would be when I stated to the gentleman that I would yield him time; but no time has been used on the other side, and I felt that I was under obligation to let the gentleman representing the minority use some of their time.

Mr. HULL of Iowa. The length of general debate has not been fixed and there will be plenty of opportunity. I want to get in myself.

Mr. MANN. I will ask the gentleman from Minnesota whether we shall begin to read the bill to-day?

Mr. TAWNEY. If we can close general debate. When we went into Committee of the Whole my colleague, Mr. LIVINGSTON, and myself had requests for two hours' time. We thought that after the two hours we could close general debate, but since that time there have been requests for time, and in all probability we shall continue the greater part of the day.

Mr. MANN. But the gentleman knows that it is a great convenience for Members to be out of the Hall occasionally.

Mr. TAWNEY. We shall not be able to commence the reading of the bill before 4 o'clock this afternoon.

Mr. LIVINGSTON. I want to suggest to the gentleman from Minnesota that we probably will not be able to commence the reading of the bill until Monday.

Mr. MANN. Then I think we ought to have that understanding.

The CHAIRMAN. The gentleman from Florida has been recognized.

Mr. CLARK of Florida. Mr. Chairman, I will state that I am perfectly willing to yield to the gentleman from Maine for five or ten minutes, providing I have the floor at the expiration of that time.

The CHAIRMAN. The gentleman from Maine is recognized, the time to be taken out of that of the gentleman from Florida.

Mr. LITTLEFIELD. Mr. Chairman, I noticed in reading the RECORD this morning a statement made by the chairman of the committee in a colloquy with the gentleman from Illinois [Mr. BOUTELL] in relation to the sinking fund, in connection with which I think the chairman is inadvertently in error in at least two important particulars. My judgment is that if any statement is to be made in relation to the sinking fund and the manner in which it has been used, and the statute under which it is appropriated and under which it ought to be used, it perhaps had better be stated with perfect accuracy.

The colloquy to which I refer reads as follows:

Mr. BOUTELL. Before you pass to the consideration of the bill, I would like to ask the chairman in charge of the bill whether his estimate of expenditures includes the total amount of the sinking-fund item.

Mr. TAWNEY. It does.

Mr. BOUTELL. Ought not that to be deducted from your expenditures, because we have never complied with it?

Mr. TAWNEY. Oh, yes; we are complying with it. It is a statutory obligation, and the application of $58,000,000 to the sinking fund, or any part of it, is within the discretion of the Secretary of the Treasury.

Mr. BOUTELL. Absolutely?

Mr. TAWNEY. Yes; absolutely. It is not mandatory upon him to do it; but it is there for the purpose of reducing the bonded indebtedness of the United States.

Now, as I have stated, Mr. Chairman, I think the chairman of the committee is entirely mistaken with reference, first, to the manner in which the fund has been used, and second, with reference to the provisions of the statute under which it is used. I have from the Secretary of the Treasury the following figures:

First, the amount of appropriation for 1903 for the sinking fund was $54,000,000; the amount used for that purpose that year was $29,511,323. The amount of the sinking-fund appropriation for 1904 was $56,000,000; the amount used for that purpose in 1904 was $24,402,964. In 1905 the amount appropriated was $56,000,000; the amount used was only $3,808,411. In 1906 the amount appropriated for the sinking fund was $56,000,000; the amount used was only $1,651,611. The amount appropriated in 1907 for the sinking fund was $57,000,000; the amount used was $30,590,388; making an aggregate appropriation for the sinking fund for the five years of $280,000,000. The amount of this appropriation actually used for the purpose for which it was appropriated was only $89,965,197, and there was left unused of the amount appropriated $190,340,803. If this sum had been used for the purpose for which it was appropriated annually, instead of having, as we now have, an available cash balance of $264,974,990.25, we would only have an available cash balance of $74,940,187, very vigorously emphasizing the point made by the chairman of the committee as to our existing financial condition.

Now, with reference to the question of whether or not it is mandatory upon the Secretary of the Treasury to use the money thus appropriated for the sinking fund, I have to say:

I have taken occasion to examine the law upon this subject with great care during the last two or three years, and I have never been able to find any provision of the statute that vests in the Secretary of the Treasury any discretion. It is true that not only during the last five years, but during the last twenty-five years, the Secretaries of the Treasury have exercised a discretion in the application of these sinking-fund appropriations, but I never have been able to find anybody with official responsibility who has ever been able to point me to the provision of the statute that vests in the Secretary of the Treasury any such discretion. So far as I have been able to ascertain, the law is absolutely mandatory, and he is required to use the fund appropriated for that purpose for the reduction of the public debt through the medium of the sinking fund, and I simply make this statement in order that the record may show just exactly what the actual conditions are, and these suggestions, as may well be perceived, very vigorously emphasizes the suggestions very properly made by the chairman of the Committee on Appropriations, the gentleman from Minnesota [Mr. TAWNEY], of the necessity of reducing all the way around appropriations, because in my judgment there is no question about the accuracy of these statements. I fully well know that the general impression has been that the provisions of this statute were of such a character that they vested a discretion in the Secretary, but such, in my judgment, is not the fact.

Mr. TAWNEY. Will the gentleman permit an interruption?

Mr. LITTLEFIELD. Certainly.

Mr. TAWNEY. In the gentleman's investigations he has ascertained it to be a fact, has he not, that for twenty-five years or more several Secretaries of the Treasury have uniformly exercised this discretion?

Mr. LITTLEFIELD. That is perfectly true; yes, sir.

Mr. TAWNEY. Assuming they were doing it upon their construction of the law, and also upon the statements that have been made to me, and the statement which I made yesterday in answer to the gentleman from Illinois [Mr. BOUTELL], although I had not personally investigated the law, I supposed from the uniform practice that it was discretionary, and that otherwise the Secretaries of the Treasury would not exercise the discretion that they have.

Mr. LITTLEFIELD. I find the facts to be exactly as stated by the gentleman from Minnesota [Mr. TAWNEY], that the Secretaries have exercised this discretion during a long period of time; and while there are times when in the exercise of that discretion they have not used the full amount appropriated, there have been other times when they have used more than the amount appropriated, and I can fully well understand how the gentleman from Minnesota, in perfect good faith and with the belief that he was stating the law as it stands, made the statement he did yesterday on the spur of the moment in answer to the gentleman from Illinois [Mr. BOUTELL]. In the course of my investigation I never have been able to find any legislation or any authority that in any way gives to the Secretary of the Treasury this discretion which has been thus exercised.

Mr. FITZGERALD. Will the gentleman yield for a question?

Mr. LITTLEFIELD. Certainly.

Mr. FITZGERALD. As I understand it, in 1906, out of the $56,000,000 appropriated to the sinking fund to reduce the national debt, there was used $1,056,611, and the previous year, instead of using $56,000,000, in round numbers, only $4,000,000.

Mr. LITTLEFIELD. Yes.

Mr. FITZGERALD. So that out of $112,000,000 that should have been used to reduce the public debt there was used only $8,000,000.

Mr. LITTLEFIELD. There was used about $5,000,000 only.

Mr. FITZGERALD. Yes; five millions, so that the surplus that we have boasted of during those years was a myth instead of an actuality.

Mr. LITTLEFIELD. Perhaps not altogether a myth. The $264,974,990.25 which is now carried as available cash balance is what is known as the surplus. If the sums appropriated for the sinking fund had been carried to the sinking fund, that surplus or cash balance would be reduced, so that there would be now on hand only $74,940,187, or a surplus of that amount.

Mr. KEIFER. Mr. Chairman, in the temporary absence of the chairman of the Committee on Appropriations, I am authorized to represent him, and in that capacity I desire now to yield one hour to the gentleman from North Dakota [Mr. GRONNA].

Mr. GRONNA. Mr. Chairman and gentlemen of the House, the question to which I shall address myself this morning is that of protection of bank deposits. This I believe to be one of the great questions before the American people to-day. James A. Garfield said:

Whoever controls the volume of money in any country is absolute master of all industry and commerce.

John A. Logan said:

The cause of every depression is money famine and nothing else.

When our national banking system was established, in 1863, the purpose was not so much the establishment of a safe and efficient system of banking as the providing of a market for the bonds that had to be issued in order to enable the nation to carry on the war. With a few changes we have retained the system for forty-four years. Perhaps the most striking difference between the national banks thus provided for and the State banks formerly existing was the absolute safety of the note issue of the new banks. This safety is secured by the deposit of United States bonds with the Treasurer of the United States.

During the forty-four years that have passed since the passage of the national-bank act we have had both good times and hard times. The causes of these hard times recurring at greater or less intervals it is rather difficult to determine. The blame can not be laid entirely on our banking and currency systems. In many of these panics industrial causes have entered in as well. But, on the other hand, we have had lesser panics, times of money stringency, when it would seem that the main trouble, if not the sole one, was to be found in our system of currency and banking. The industrial condition of the country at present appears to be sound and to have been so last October, yet we had a financial depression that was felt throughout the country. It has been maintained that this must be charged up against the inelasticity of our currency, and that if the banks had the power of issuing additional currency in time of need we should have no money stringency. It is admitted that we need more currency at one time than at another, and it is evident that if there is no means by which the additional supply can be secured a money stringency will result; but it is also evident that the mere fact of scarcity of money will not cause a panic. People do not make a run on a bank because money is scarce, but because they fear that their deposits are not safe. Last fall showed that not only did not the people have confidence in the banks, but that also the banks mistrusted each other, and each bank determined that it would not be caught in a "run" because of trusting its funds to another institution. Banks hoarded their money as well as private individuals. Country banks maintained reserves of 50 to 60 per cent in order to be prepared for a possible "run." As these banks were losing the profits which they would have made if they had kept this money in circulation, they would manifestly not have withdrawn this money from circulation unless they had felt that it was necessary for them to do so in order to protect themselves. Now, if every bank were assured that

there would be no "run" made on it it would have no incentive to withdraw money from circulation and hoard it; and if every depositor were assured that his deposits were absolutely safe, no intelligent person would withdraw his deposits simply in order to hoard his savings.

Such assurance can be given to the bank and such assurance can be given to the depositor by guaranteeing every dollar placed on deposit in our banks.

Before I go further I want to read an article from the Daily Mail and Empire of Toronto, Canada.

This refers to a matter of very recent occurrence, and it seems to me to be a matter of very vital importance. I read it simply to show what confidence does for a banking institution as well as any other institution. It refers to the liquidation of the Sovereign Bank of Canada last Saturday, January 18, 1908, upon the most improved plan of guaranteeing deposits and closing a bank without inconvenience or alarm to depositors.

The bank had for its capital $3,000,000. It had notes outstanding of $2,009,350. It had a balance due agents of $3,474,108.23. It had on deposit more than $14,000,000, and there were owing to sundry creditors $37,000. It had total liabilities of $22,522,168.11. Though this large institution with its eighty branches was forced to liquidate, it and nearly all the branches remained open as usual on the day of liquidation, and the first that the public knew of the failure was the following statement by its president:

For some time past there has been a constant strain upon the bank's resources, caused chiefly by the unnatural conditions which have obtained during the last three or four months, which have created a still greater drain upon the deposits and made it correspondingly difficult to liquidate the loans. These conditions, which in many ways have been far more stringent than have been experienced in the memory of this generation, could not possibly have been foreseen, and they were rapidly bringing about a state of affairs under which the business if continued would not have been sufficiently profitable.

When this conclusion was reached we at once conferred with the leading bankers of the country and asked them to verify our statements. These bankers have expressed their opinion that the assets of the Sovereign Bank of Canada are sufficient to pay all the liabilities, and an agreement has been made with a number of banks by which nearly all of the branches of the bank will open this morning as branches of other banks. This arrangement will entail no loss of any kind to the bank's depositors or customers. They can withdraw their deposits if they please, or they can allow them to remain with the bank to which they have been transferred. The Sovereign Bank of Canada pass books can be surrendered and the pass books of the new banks obtained. Borrowing customers will, of course, have to make other banking arrangements as soon as possible.

You can see from this that a number of the larger banks of Canada, twelve or thirteen of them, have simply guaranteed to the people who had deposits in this bank that no one would lose a dollar, and upon that guaranty I want to show you how the depositors of the bank took it. The dates of these newspapers are January 18 and 20. They show how this sensible mode of liquidation is viewed by Americans who were in Toronto at the time:

A remarkable tribute to the coolness and capacity of the banking men of Toronto was the passing of the Sovereign Bank on Saturday without even a ripple of excitement in the money market or even among the small depositors, who are generally the first to take alarm. It was about as devoid of dramatic incident as the separation of Norway and Sweden. The calmness with which the notification of the suspension of the bank was received bore strong witness to the confidence of the people in its financial institutions, and this side of the matter appealed strongly to American visitors in the city. Reading in the morning papers that a prominent downtown bank had gone into liquidation, many Americans were on the street early, anticipating all the interesting scenes incidental to a run on the bank and a panic among small investors. The actual event was very much of a surprise, as they were unable to see any appreciable change in the way business was carried on, and could not understand the situation.

"Why, if this were in New York or Chicago," said one, "there would be a line halfway up the street, crowding and fighting for position, and not only that, but there would be crowds in front of all the other banks. I don't know how you do it, but you've certainly got us beat."

The list of twelve banks which are guaranteeing the depositors of the Sovereign Bank and who took over the branches on Saturday was increased to thirteen on Saturday by the accession of the Eastern Townships Bank.

Mr. GAINES of Tennessee. From what paper are you reading?

Mr. GRONNA. This is the Daily Mail and Empire, of Toronto.

Mr. GOULDEN. I would like to say a friend of mine, returning from Toronto at that time, gave me the same facts in connection with the case just about the time we had a line, not halfway up the street but three or four blocks long, waiting for opportunity to get in and take out their money, showing that Canadian people have more confidence in their institutions than the American people have.

Mr. GRONNA. If the gentleman will permit me, does he think they also have a better banking system?

Mr. GOULDEN. Mr. Chairman, I would not like to admit that they have a better banking system, because I do not believe there is anything better than we have in the United States along all lines.

Mr. GRONNA. Now, I will say to the committee that it simply goes to show that if the people are satisfied that no loss will be sustained they are always reasonable; they will not demand their money if they are absolutely sure that some time in the future they will be paid their deposits.

If a fund were created with the Treasurer of the United States out of which any losses to depositors in banks that became insolvent would be paid, such a measure would have four obvious results:

1. It would protect depositors against losses.
2. It would protect banks against runs on their deposits.
3. It would prevent, or at least alleviate, stringency in the money market by preventing hoarding.
4. It would bring into circulation a large amount of currency at present unaccounted for, but presumably hoarded.

This last result may be more important than many people believe. The total stock of money in the United States July 1, 1907, was $3,115,600,000, of which $1,106,500,000 was in banks and $342,000,000 was held in the Treasury as assets. This leaves $1,666,500,000, or 53½ per cent of the total stock of money unaccounted for. In other words, $20 per capita is unaccounted for. Part of this, of course, is carried in people's pockets as change, but does every man, woman, and child carry $20 in his or her pocket continuously? Does every family of five have $100 lying around loose all the time? The conclusion seems inevitable that a large amount of this money is hoarded and is thus deprived of its most important function, that of serving as a medium of exchange.

A very small annual tax on the deposits of each bank would be sufficient to create and maintain the proposed fund. The average annual loss to creditors of insolvent national banks from 1865 to 1903, inclusive, was about $851,000. The average annual deposits for the same period amounted to $1,281,447,136. The ratio of loss to the deposits was about one-sixteenth of 1 per cent. If we take a period of ten years from 1894 to 1903, inclusive, we find that the ratio is about one-thirtieth of 1 per cent. The estimates of the losses are not exact, for the reason that some of the banks are still in the hands of receivers, but they are accurate enough to give some idea of how large a tax it would be necessary to impose for the purpose of establishing a guaranty fund. With the stricter inspection and more conservative banking of recent years the annual loss has decreased, while the deposits have shown a great increase. The amount of deposits in national banks October 31, 1907, was $4,319,035,402. A tax of one-thirtieth of 1 per cent on this amount would bring $1,439,678, which would be more than the amount of the annual loss. In my opinion, a tax of one-fiftieth of 1 per cent, or 20 cents per $1,000, would be sufficient for the establishment and maintenance of a guaranty fund.

Mr. NORRIS. Will the gentleman permit a question?

Mr. GRONNA. I will be very glad to do so.

Mr. NORRIS. I would like to suggest, while I am a hearty supporter of that proposition, that the assessment of one-thirtieth of 1 per cent, or a sufficient amount to pay the loss as it arises from one year to another, would not leave the fund large enough to pay in cash the depositors in case of the failure of one bank, for instance. Your assessment would have to be large enough so as to have a fund sufficiently large to pay money due the depositors in case of failure, and it would be quite a while before the bank could be settled up, and in the meantime some other bank might fail, and the result would be the fund would be too small. I think you would not dare base it on the amount that is the real percentage of loss. For instance, the last statement made by the Comptroller in regard to one of the banks in New York City was something over $99,000,000 of deposits subject to check.

Mr. GRONNA. The City Bank has $107,000,000 on deposit.

Mr. NORRIS. If that bank or a bank like that should fail, or two or three small banks, the fund ought to be large enough to pay them all.

Mr. GRONNA. I will say in answer to the gentleman from Nebraska that I agree with him that the percentage of tax should be perhaps larger, but I care nothing about the details of it; what I want to show is the amount of loss—that is, the amount that is actually required. It is the principle of the guaranty fund that I am speaking about.

Mr. HINSHAW. If the gentleman will permit, the proposition made by Mr. NORRIS is correct except this: The fund would be reimbursed from the recovered assets of the now solvent bank in the course of two, three, or five years, and the fund would come back to such shape a small tax would be sufficient to keep it in running order against any failure that would occur.

Mr. NORRIS. But it would take a good many years before that fund would be large enough to do that. If you start it out to have any benefit immediately, it would have to be large enough to do so.

Mr. HINSHAW. But I think this will solve the proposition. Let the tax be large enough so that it will raise a sufficient fund to pay off all these losses, and let the tax be suspended if at such time the aggregate fund reaches a certain number of million of dollars and is no longer needed to meet the losses of insolvent banks.

Mr. GRONNA. The gentleman is correct in that, and the bill which I propose to read in a few minutes will meet it.

Mr. STERLING. May I ask the gentleman a question?

Mr. GRONNA. Certainly.

Mr. STERLING. Does the gentleman know if any of the States have passed legislation with reference to State banks of this character?

Mr. GRONNA. Yes, sir; the State of Oklahoma has.

Mr. STERLING. That is in their constitution, the gentleman tells me. Have any other States adopted it?

Mr. GRONNA. I know of no other State than Oklahoma.

Mr. GAINES of Tennessee. I will state this: That I was reading in the New York Evening Post, I think, two or three evenings ago where the people in Oklahoma were bringing their money back from Kansas and Missouri in order to put it in the Oklahoma banks, because this law goes into operation, I believe, in February, and the Kansas governor has called his legislature together in order to pass a law similar to the Oklahoma law.

Mr. STERLING. If States do that will not something of this kind have to be done?

Mr. GRONNA. In answer to the gentleman from Illinois [Mr. STERLING] I will say, that while I know of no State except Oklahoma that has passed this law, I believe I am safe in saying that States bordering Oklahoma will be compelled to pass the same law in order to do business with the people of their States.

Mr. STERLING. I think there is a proposition before the legislature of Illinois to that effect. I do not know whether there is any prospect of its becoming a law or not.

Mr. HARDY. My understanding, borne out by the most conservative newspapers in the State of Texas, is that Texas is urging now the calling of a special session of the legislature to pass a State law for the guarantee of deposits, and that it is claimed by those newspapers that the existence of this law in Oklahoma, as soon as it goes into effect, will have a tendency to draw the deposits from Texas and surrounding States to Oklahoma banks because of the confidence that depositors will have in the safety of their deposits.

Mr. GRONNA. That is presumably true, and I hope that not only Texas, but all other States will pass the same kind of a law.

Mr. HARDY. For the information of the gentleman I wish to say, in addition to that, that the national bank authorities in the State of Oklahoma are to-day appealing to the national bank authorities and the Comptroller of the Currency for permission to unite themselves with the State system of the Oklahoma law, because they say that without that union they themselves will be left barren of deposits, which shows that there is a confidence even in the State guaranty law.

Mr. GRONNA. I do not know if I understand the last part of the gentleman's statement.

Mr. HARDY. That the national banks of Oklahoma are seeking to have the permission of the Comptroller of the Currency to come in under the terms of the provisions of the Oklahoma State law. Otherwise, when that law goes into effect, they anticipate all their banks will be left without depositors and the State banks will have all the deposits.

Mr. GRONNA. While the gentleman is on that question, if you will permit me, I want to ask him a question. I know that he is a lawyer. I have in my bill a provision that the State banks be permitted to participate in this fund provided they meet all of the requirements prescribed by the Comptroller of the Currency. Now, I want to ask the gentleman as a lawyer if he thinks, if we pass a bill of that kind, that it will be constitutional?

I want to read the language of my bill:

SEC. 4. That any banking institution incorporated, existing, and doing business under and by virtue of the laws of any State or Territory of the United States may apply to the Comptroller of the Currency to be allowed to make the deposit herein required to be made by the national bank; and if upon examination the Comptroller of the Currency shall find that such banking institution is solvent and properly managed, he shall accept such deposit and shall issue to such banking institution his certificate to the effect that such banking institution has complied with all of the requirements of this act and that the depositors therein are entitled to the same protection as provided in this act for depositors in national banks. The officers of all State banking institutions who accept and comply with the provisions of this act shall be required to comply with all provisions thereof and with such rules and regulations as may be made by the Comptroller of the Currency in order to carry out its provisions and requirements.

Mr. HARDY. I do not think there is any question, if the gentleman will permit me, but that that course might be pursued by State banks. I want to say further, from the little ripple on the surface, that if the national banks adopt the system of guaranteeing deposits, the State banks will be forced to come into the national banking system by means of a provision like this, or to organize under a State system like Oklahoma; and in my opinion whichever one, the National or State government, adopts that provision first, the other government will have to do it in self-defense to protect the banks. A deposit guaranteed is one system that looks solely to the interest of the people, while most of the measures leaving that out are looking to the interest of the banks.

Mr. NORRIS. Will the gentleman yield? While that may be true as a legal proposition, is there not danger that if a provision like the gentleman has just read were incorporated in the national bank depository law, it would lessen the confidence on the part of national banks in the law for the reason that State banks would not be subjected to the same examination and control as the national banks? It seems to me that if you get them in——

Mr. GRONNA. They will be subject to the same inspection that they are now, and also to national inspection.

Mr. NORRIS. You would have to provide national bank examinations and an examination of the State banks at last. Now, does this bill provide just the same examination for the State banks as for the national banks?

Mr. GRONNA. I think it is already in my bill.

Mr. NORRIS. Of course the probabilities are that if we pass that kind of a law we should pass laws that would be a little more stringent than they are. Of course that would all have to be done in the State, and the examinations should be the same.

Mr. GRONNA. I thank the gentleman from Nebraska for the statements he has made. In drafting this bill I was absolutely sure that a provision of that kind would be legal and constitutional.

Mr. GOULDEN. In making your statement that one-thirtieth of 1 per cent would be sufficient, I take it that was based on future expectations. When we shall have a law guaranteeing full and implicit confidence in our banks, it will avoid all runs; and when we shall have, as well, a thorough examination of all banks, we shall then avoid anything in the shape of a run, which is responsible for the failure of so many banks.

Mr. GRONNA. I have based my figures upon the losses in the past.

Mr. GOULDEN. You have made no prediction on the future?

Mr. GRONNA. I have based it on absolute facts.

Mr. GOULDEN. I fear you are too low, then.

Mr. GRONNA. I would be glad to include anybody's figures.

Mr. HARDY. If the gentleman will allow me. I think your figures are based on an average of years. Well, as I understand that, at the beginning a greater assessment might be needed, until a sufficient sum was accumulated, and that would diminish and decrease after that had been accomplished.

Mr. ADAIR. I understand from the remarks of the gentleman from New York that his question more particularly refers to losses in banks by reasons of failures, runs, etc. Your purpose in making this provision is not to provide especially against runs. Bank funds lost to depositors come from mismanagement and dishonesty in the banks, and runs do not necessarily create loss to depositors. It is a very small percentage of loss that is created by runs on the banks. The losses occur by reason of dishonesty of the officials, and you can not pass any law that would prevent men from being dishonest occasionally.

Mr. GRONNA. I would say to the gentleman that the banks under this law would be closed if their business was not conducted on business principles, because there would be no danger of creating any suspicion in financial circles. As soon as the officials found that the bank was a weak one and not conducted on business principles, the office would at once proceed to see that it either go into liquidation or be taken over by other banks.

Mr. HARDY. If the gentleman will permit me again, I understand the objection to the guaranty of deposits has been largely based upon the idea that such guaranty would promote recklessness in bankers and induce them to give extravagant rates of interest. Does your bill say anything about interest being guaranteed by the bankers and restricting the rate of interest?

Mr. GRONNA. No; it does not.

Mr. HARDY. I think that probably would be a wise provision.

Mr. GRONNA. It has been maintained by some that the adoption of the plan of insuring depositors would protect weak and poorly managed banks at the expense of the strong, well-

managed ones, and that it would encourage "liberal" and speculative banking rather than safe and conservative methods. These critics overlook the fact that the direct protection afforded is not to banks but to the depositors in banks. So far as the banks are concerned, the benefits are indirect, and the strong, conservatively managed banks would be benefited as well as those not so strong or so well managed. Runs on banks, from which strong institutions suffer as well as weak ones, would be prevented, and the currency, without which a bank can not do business, would not be withdrawn and hoarded, but would remain in the bank. It is not clear that this measure for the protection of depositors would in any way encourage speculation or loose banking methods. A bank would be closed on becoming insolvent, then as now. The officials and stockholders of the bank would be liable to the same extent as at present. It is not readily apparent that the management of a bank would be tempted to run the institution into bankruptcy by the mere knowledge of the fact that its depositors had been insured against loss, nor is it conceivable that the stockholders should willingly elect a management that would make them liable to twice the par value of their stock simply because provision had been made for the safety of the bank's deposits. If anything, this measure would make for safe management. The authorities would not then, as they often do now, hesitate and delay as long as possible before closing a bank, because of the shock that such action will give to the confidence of the public and the consequent injury to the other banks. Confidence is necessary in the conduct of business. Banks are established to facilitate the conduct of business. If they are to fulfill the purpose of their establishment, it is necessary that the public have confidence in them. This confidence can be secured by guaranteeing the deposits of the banks.

The country may not yet be ready to provide such a fund for the protection of depositors against loss, but it is highly gratifying to note the growing favor with which the plan meets, especially when compared to the almost unanimous opposition of only two years ago. The new State of Oklahoma has adopted the plan of insuring the deposits in her State banks, and the neighboring States are being forced to follow suit, as in no other way can their banks secure deposits in competition with the banks of Oklahoma. I do not think it a rash prediction that a very few years will see the deposits in all the banks in the country, both national and State, protected by some form of insurance, either by voluntary associations or by national and State laws.

Mr. FLOYD. Will the gentleman yield?

Mr. GRONNA. I yield with pleasure to the gentleman from Arkansas.

Mr. FLOYD. In that connection, I desire to ask: If that kind of a provision was incorporated, would it not cause all banks to watch more closely the affairs of other banks? And if a bank was in a failing condition, or indulging in reckless speculation or improper business methods, would not the effect be that every other bank that had knowledge of that fact would report to the Comptroller and bring that matter to an investigation at once?

Mr. GRONNA. That is absolutely true, in my opinion.

Mr. FLOYD. It seems to me that would be the result of it.

Mr. ADAIR. May I ask a question?

Mr. GRONNA. I will yield.

Mr. ADAIR. I should like to know how one bank would have the means of knowing that another bank was speculating in stocks or in questionable securities? What opportunity would they have for knowing the business of any particular bank?

Mr. GRONNA. I will say to the gentleman, if he is a banker he must know that if an act of this kind is passed the banks will not act individually, but they will form themselves into associations, which they should do to-day; that bankers will not be in the banking business for the mere purpose of making a few dollars for their own banks, but that men at the head of those institutions will be in the banking business for the purpose of conducting the business honestly and in a creditable manner, to save the people their money, and at the same time to make money for the banks themselves. [Applause.]

Mr. SMITH of California. Taking human nature as it is, don't you think it would have just exactly the opposite effect of that? Who cares if a bank fails, if he can get the Government to step up and pay the depositors? It will not make any difference if twenty banks fail in a week if everybody gets his money from Uncle Sam.

Mr. GRONNA. I will say in reply to the gentleman from California, in the first place the stockholders will care, and in the second place the banks will be taxed for this fund.

Mr. SMITH of California. But the depositors and all other creditors of the bank would simply look to the Government in the background and say, "Now, I do not care how the bank is managed. It is no concern to me, because if it goes into the hands of a receiver and its doors are closed I will get my money anyhow."

Mr. GRONNA. I do not think I understood the gentleman. Did you mean as far as the public are concerned?

Mr. SMITH of California. Yes; the people who deposit money.

Mr. GRONNA. They will have full confidence in the banks. They will know that there is a fund deposited in the Treasury of the United States, and in case of the failure of a bank not a dollar will be lost.

Mr. SMITH of California. Your proposition, as I understood it, was that this scheme you have in mind would lead to a closer bond between bankers; that they would watch each other.

Mr. GRONNA. Absolutely. There would be no question about that.

Mr. SMITH of California. I think it would have absolutely the opposite effect.

Mr. HARDY. Will the gentleman yield for a question?

Mr. GRONNA. In a moment.

Mr. ADAIR. In reference to what I said a moment ago, I fear the gentleman misunderstood me. I want to say first that I am in sympathy with your position. I believe in the position you are taking. I believe that these deposits should be guaranteed by an assessment upon the banks. My only purpose in asking you the other question was to get your opinion as to whether it would bring bankers closer together, and a closer understanding between them as to the character of the business they were doing. My experience in the business has been that bankers are usually pretty close-mouthed. They keep their business to themselves so far as possible. That is one of the first things to learn in the banking business, to make it absolutely confidential. If you have business with the bank with which I am connected I want you to feel that nobody knows anything about the business of a bank except you and myself. I want to say to the gentleman that I am in hearty sympathy with his bill, and believe that we should have a law of that kind.

Mr. GRONNA. I am glad that the gentleman is with me.

Mr. HARDY. Now, Mr. Chairman, in answer to the criticism of the gentleman from California [Mr. SMITH], he seems to be fearful of recklessness on the part of the depositors; that if the deposits were guaranteed by the Government, the depositors would become careless and reckless. I have never heard of the failure of a bank being brought about by the negligence or recklessness of the depositors of that bank.

Mr. SMITH of California. I did not have that in mind. The proposition was that the fact of this guaranty would tend to bring the bankers together and each help the other, and to caution one another against improper banking and thereby produce a better system of banking in the country. My suggestion was that it would have exactly the opposite effect.

I suppose the banks in the country are as much interested in avoiding bank failures as anybody in the community. If one banks fails it shocks every other bank, and they want to avoid it. If the Government is going to step in and make good when one bank fails, then it will be no shock to the community, because the community knows that if the bank fails there will be no loss to them. In other words, there would be less interest on the part of one bank in having its neighbor conducted properly than if left as they are now, to feel the result that follows every such disaster.

Mr. HARDY. That supposes that each bank would be in ignorance of the fact that each failure would bring an assessment on every bank; that the bank would not regard its own interests to protect itself by avoiding the failures of banks.

Mr. GRONNA. Mr. Chairman, I am a banker only in a small way, but it is my opinion and belief that whether the banker conducts business on a small or a large scale, if you make it cost him something he is going to be careful to see that his fellow-banker exercises more care and intelligence and does not go into the business for speculation. [Applause.]

Mr. SMITH of California. The gentleman does not imagine that the banker is going to pay the tax or the contribution which he provides for in his bill. If there is an additional burden, they will quickly pass it over to the customer, to the borrower. Therefore the burden would nominally lie on the banker, but he would not carry it; he would transfer it to his customers.

Mr. GRONNA. Not necessarily; the banker is to pay the tax first; unless you can create a demand for money it will be impossible for banks to advance their discount.

Mr. SMITH of California. If the gentleman has got a scheme

by which he can make the banker stand the burden I should like to hear it.

Mr. NORRIS. The general proposition as I understand it is to guarantee depositors on the part of the Government by a fund raised by assessment on the banks. The theory is, and I think there is no doubt whatever of it being true, that it would increase the deposits very largely, so that the banker would have to pay his proportionate share of this fund and would much more than make up what he had to pay by the use of the large increased deposits that would come to his bank. [Applause.]

Mr. GRONNA. I thank the gentleman for the statement.

Mr. LIVINGSTON. May I suggest to Members that we would like to have these practical ideas that the gentleman from North Dakota is presenting, and I hope he will not be disturbed any more. His time will shortly expire, and I beg Members to give him a fair chance to finish his speech.

Mr. GRONNA. I believe that the establishment of confidence in our banks by means of this guaranty fund will be found of great benefit in times of money stringency or bank crises. Of course it will not entirely prevent stringency in the money market. Our currency system has the defect of not making any provision for expansion in time of need, and confidence will not remedy this; but our currency actually contracts in time of need of expansion, and this the establishment of confidence will remedy. It will not give us an elastic currency, but it will prevent our currency from expanding when it should contract, and contracting when it should expand.

I want to state to the House there is, in my belief, a demand for legislation of this kind, and in support of that I want to read a portion of a letter from Mr. E. A. Drew, who has been in business and is in business to-day in the city of Minneapolis. I read from his letter:

MINNEAPOLIS, MINN., *January 9, 1908.*

Hon. A. J. GRONNA,
Member of Congress at large for North Dakota, Washington, D. C.

DEAR SIR: It gave me a great deal of pleasure and satisfaction to read your interview appearing in the St. Paul Dispatch of December 19, wherein you exploited the objects of your bill now before Congress, looking toward a Government guarantee of deposits in all national banks and requiring four-fifths of all the reserve of the bank to be kept within its own vaults.

I want to congratulate you on being the pioneer in taking up this fight for the people and the best welfare of the whole country at large.

In my opinion the safety of bank deposits and savings of a frugal people is of the greatest and most vital interest to every man, woman, and child—of more importance than any subject now discussed by men, regardless of party politics or creed; for what does it profit a people to gain the sublime and enviable height of prosperity only to lose it in a single night by a brain-storm of shaken confidence, starting from the exposed rascality of men high in financial circles, with fuel added to the flame of suspicion by certain influences which stand to make money, no matter which way values trend?

Now, the provision relating to reserves is not included in my bill, but I firmly believe that whether this bill is passed or not, or a bill of this kind which has any of its provisions—I honestly believe that if we do nothing else we should repeal that part of the national-bank act which permits any bank to hold three-fifths of its reserve in other banks. I believe that all banks should hold at least four-fifths, or 80 per cent, of all their reserves in their own vaults.

Mr. STERLING. What protection is it to the depositor if they have all the reserve in their own vaults? They can not pay it out to their depositors. They are just in the same condition as though they had not any reserve in there at all.

Mr. GRONNA. That may be true, so far as it relates to loans, if you assume the bank may fail. It is not true regarding depositors, if you keep the money in your own vaults. We had that experience last fall. When we wanted our money it could not be had. The gentleman from Indiana [Mr. ADAIR] will bear me out. I know him to be a banker. He will bear me out that when you want your money you can not get it, because they have loaned it out to speculators, and there has been an overspeculation not only on the people's deposits, but on the reserve that should be kept in the bank.

Mr. STERLING. Suppose he has a reserve, the depositor can not get it. Suppose the bank is down to its limit, and it has just the 25 per cent or the 15 per cent that the law requires to keep as reserve. The depositor goes to get it and the banker can not pay it out. The bank has got to save itself just as much as if there was not any fund.

Mr. PERKINS. Oh, the gentleman is mistaken. Certainly, the bank can pay out to the depositor and must pay it.

Mr. STERLING. I understand that the law forbids them to pay it out to the depositor, just as much as it forbids them to loan the money.

Mr. VREELAND. Oh, the gentleman is mistaken.

Mr. NORRIS. Mr. Chairman, I agree with the gentleman from North Dakota. The object of the law is to compel him to keep it so that he can pay it out. One of the reasons why it ought to be kept at home—and the illustration of it that is fresh in the minds of every one of us is that when it is not kept at home, but is sent to New York, where it could not be reached, or some other city, they could not get it back, and it not only stimulated speculation where it was held, but it could not be returned where it ought to have been returned and where in law it is supposed to be, but as a matter of fact is not, but the bank would be justified and not only justified but required to pay it out to the depositor if it had the money there.

Mr. GRONNA. That is quite true.

Mr. VREELAND. I would like to set the gentleman from Illinois [Mr. STERLING] right on the question of reserves of banks. In a national bank, of course, the reserve can be paid out. He will recollect that the banks of New York City have been something over $20,000,000 below their reserves for several weeks until recently. They can pay out the reserve, but they can make no further loans below the reserve, and must make up the reserve to the legal limit within thirty days, if required.

Mr. GRONNA. They can pay the money to depositors, but must not loan it.

Mr. STERLING. They do pay it to depositors, but I do not agree with the gentleman that they are entitled under the law to pay it to depositors. I may be mistaken about that, but I have been at some pains to make inquiries. I will ask the gentleman from Ohio [Mr. KEIFER] if I am not correct?

Mr. KEIFER. I think the gentleman is mistaken. I think every bank does pay out to depositors.

Mr. STERLING. I know they do it.

Mr. KEIFER. I think, in the experience of thirty-odd years, the understanding is that the reserve is kept for the very purpose of preventing the bank from declining to pay depositors, when, as a matter of course, the bank would have to go into the hands of a receiver if it did that.

Mr. STERLING. Now, I beg the indulgence of the Member here who contradicts my position. Is it not a regulation of the Department they can not pay them out to the depositors?

Mr. PERKINS. Oh, no; the gentleman is mistaken. The reserves can be paid to depositors. But when the bank comes below its reserve—and we have had the New York banks for two months below their reserve by something over $50,000,000——

Mr. COOPER of Pennsylvania. I call the gentleman's attention to the law.

Mr. GRONNA. My bill provides that national banks shall be taxed one-fiftieth of 1 per cent, or 20 cents per thousand dollars, on their annual deposits. On deposits now in national banks, this would amount to more than $800,000 annually, which is considerably more than the average annual loss to creditors of insolvent national banks for thirty-nine years. I believe that another law should also be enacted providing that banks should pay 2 per cent interest on Government deposits, and that no bank should be entitled to receive Government funds to exceed 50 per cent of its capital stock. On January 22, 1908, the United States Government had on deposit in national banks nearly $250,000,000. Interest on this as provided would bring $5,000,000. If the plan of taxing the banks on their deposits in order to create a guaranty fund be found objectionable, the amount realized by requiring the banks to pay interest on the Government deposits might be used to establish and maintain a fund for guaranteeing deposits.

Mr. HINSHAW. Will the gentleman permit me? If that proposition was not accompanied with another proposition that the bank would not be obliged to put up a Government bond or some low interest-bearing bond to guarantee the Government, I can not see how the bank could make any money or be induced in any way to take Government deposits even at 2 per cent, although I am strongly in favor of the Government receiving interest.

Mr. GRONNA. If I may be permitted, the bank does not lose that interest on the bond. The Government does not get that interest. The bank gets that interest, consequently it pays no interest at all on Government funds. I think I am right in that respect.

Mr. HINSHAW. I want to make myself understood. I am in favor of the payment of interest all right by the bank to the Government, but if a Government bond bearing only 2 per cent is required as security for the loan from the Government and it pays the Government 2 per cent and buys the bond at a premium of 4 or 5 per cent, the bank would lose money on the transaction, it seems to me, and could not be induced to take the money at all unless it could put up a security bearing 4 or 5 per cent of municipal or State bonds, or securities that the banks can procure in their own localities.

Mr. JOHNSON of South Carolina. If the gentleman will permit, the Secretary of the Treasury does not require the deposit of United States bonds. Any security that the savings banks of New York, New Jersey, or Massachusetts would take, he would take.

Mr. ADAIR. In answer to the gentleman I will say there are many banks of the country who would be very glad to take deposits. You take it out in my State, since we have a State law providing that interest shall be paid on public funds there is not a bank in Indiana but has been scrambling to get all the deposits it can get and pay 2 per cent on them, and there is not a national bank in Indiana to-day but what would be glad to take a Government deposit and pay 2 per cent, even if it bought a Government bond and put it up as security upon which it received but 2 per cent.

Mr. GRONNA. I believe the gentleman is absolutely correct; I know in my State they pay 3 per cent on State funds.

Mr. GAINES of Tennessee. If the gentleman will permit; suppose, now, the Government passes a law securing deposits, and one State pays more interest than another, which makes it, of course, more dangerous for your bank to live. Do not you think it will be a good thing for the National Government to say a bank shall not pay more than a minimum amount of interest on deposits, and also fix the rate of interest?

Mr. GRONNA. If the gentleman will permit, I do not believe he was here when I made my statement.

Mr. GAINES of Tennessee. I was not.

Mr. GRONNA. I said on January 22, 1908, the United States Government had on deposit in Government banks about $250,000,000, for which they received no interest. I also said I believed another law should also be enacted providing that all banks should pay 2 per cent interest on Government deposits, and no bank should be entitled to receive Government funds to exceed 50 per cent of its capital stock.

Mr. GAINES of Tennessee. I see that carries it still further. My proposition exactly was, for instance, here is the magnificent newly created State of Oklahoma, where everything is on a boom, and they pay, perhaps, 10 per cent out there. Now, that draws all the money from the old States, where they pay only from 4 to 6; so you see the difficulty.

Mr. GRONNA. Objection is made to the system of guaranteeing deposits for the reason that it would discriminate against all banks that are not national banks. That may to a certain extent be true, but would it not be infinitely better for the country to adopt a system of banking that would at all times be safe and prove satisfactory to the people? State banks can to a certain extent have this same protection by associating themselves together and creating a protective fund under State law, but I believe that even State banks could be included in this system if they are willing to subject themselves to the same requirements as are imposed upon national banks.

Why should we have a panic at any time when the country is enjoying unexampled prosperity? Never in its history has this country been so prosperous as it is to-day. We are enjoying the blessings of bountiful crops; in the West labor could scarcely be hired at any price; before this financial flurry the factories were overrun with orders.

Labor was receiving higher wage than it ever had before. We produced more than we could take care of, and the world stood ready to buy our products of every kind and description. We produced 2,500,000,000 of bushels of corn, more than 600,000,000 bushels of wheat, and 13,500,000 bales of cotton. With a balance of trade of $450,000,000 in our favor and with a gold production of $100,000,000 yet we had a panic, all due to our weak and inefficient system of banking. The only way to settle this question is to agree upon something that the people want and that the banks want. Any attempt to enact laws detrimental to or discriminating in favor of either will and should fail. While we are willing to listen to what the bankers may have to say, we must not forget that the people are the ones who are most vitally concerned in this as in all other great questions. According to Government reports, the people have more than $13,000,000,000 in the different kinds of banks and the bankers have about $4,000,000,000. Even as a mathematical proposition it would not be fair to leave it to the bankers to say what kind of a system we should adopt. Every plan that the bankers have so far proposed has proved to be a failure. I read an Associated Press report to the St. Paul Dispatch:

WHERE HAS MONEY GONE? NEARLY THREE HUNDRED MILLION HAS DISAPPEARED SINCE LAST AUGUST.

NEW YORK, *January 8, 1908.*

According to the monthly circular of the National City Bank, $276,000,000 in cash disappeared between the call for the condition of the national banks responded to last August and the one last month. This includes a net reduction of $41,000,000 in the cash holdings of all the national banks in the country, and a loss of $13,000,000 cash reported by the New York City trust companies, together with the known additions to the circulating medium during this period, including $100,000,000 of gold imported from abroad and $72,000,000 cash released by the United States Treasury.

This shows conclusively that there is a lack of confidence in our banks. Now, why ask for an asset currency? Why not do something to bring back the $276,000,000 that have been hoarded? In addition there is an available circulation of $300,000,000 not yet taken out by banks that may have it for the asking.

No country in the world has as large an uncovered paper currency as the United States. According to the report of the Comptroller of the Currency, the uncovered paper currency of the leading countries on January 1, 1906, was as follows: Germany, $213,900,000; France, $118,200,000; United Kingdom, $116,600,000; United States, $582,100,000; the per capita uncovered paper currency being: Germany, $3.53; France, $3.02; United Kingdom, $2.67; United States, $6.83. It is to be borne in mind that the United States had, in addition, about $660,000,000 of silver and silver certificates, and $346,000,000 of United States notes, covered by only $150,000,000 of gold, and that the national bank note currency has recently been largely increased.

The following table shows deposits and cash holdings of the several classes of reporting banks on or about June 30, 1907, together with the percentage of cash to deposits for 1906 and 1907:

Banks.	Individual deposits.	Cash on hand.	Ratio of cash to deposits.			
			1906.		1907.	
	Millions.	*Millions.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
National banks	$4,322.9	$721.9	----------	16.80	----------	16.70
State banks	3,068.6	254.0	8.30		8.28	
Savings banks	3,495.4	27.4	.79		.78	
Private banks	151.1	8.7	6.15	4.94	5.76	5.60
Loan and trust companies	2,061.0	101.7	3.49		4.93	
Total	13,099.6	1,113.7	----------	8.29	----------	8.50

The percentage of cash to individual deposits held by all national banks on May 20, 1907, was 16.70 per cent, and the percentage of reserve held to deposit liabilities on that date was 21.22 per cent, of which 13.23 per cent was in lawful money.

Had it not been for the need of our products abroad, which made gold imports possible, where and how would we have got the $100,000,000 in gold? It was not the banker or through his system that this gold was secured, but by the honest effort of labor, by the production of something real, the production of crops, cereal, and cotton, that the world stood ready to buy. We had the products to sell and got the gold.

The CHAIRMAN. The gentleman's time has expired.

Mr. KEIFER. Mr. Chairman, I ask unanimous consent that the gentleman may have ten minutes more.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. GRONNA. I want to thank the House for their close attention and for the additional time given me.

I believe that section 5192 of the Revised Statutes of the United States should be amended so that under its provisions but one-fifth instead of three-fifths of the 15 per cent reserve required by law to be kept by banks in reserve may consist of balances due from reserve banks. I also believe that section 5195 of the Revised Statutes of the United States, which authorizes banks in smaller reserve cities to keep one-half of their lawful money reserve in cash with banks in central reserve cities, should be repealed. In other words, a bank should be compelled to keep four-fifths of its reserve in lawful money in its own vaults.

Now, I do not want to be understood as being opposed to an elastic currency. I do not believe that anyone is opposed to an elastic currency. I do not wish to array class against class, or section against section, for I believe that what benefits the people in one section of our country benefits the people in another section of our country, but, Mr. Chairman, this question should be settled without sectionalism, without discrimination for the benefit of a favored few, but with patriotism, in the interest of the people, and, above all, with the idea constantly in view that labor as well as capital must be treated fairly, justly, and honestly, in order that confidence may be restored in our American banking institutions. Let us show to the people that we will do what we can to protect their earnings from loss. Without this confidence capital can not hope to prosper. I hope that no one wants a panic. I know that it is true that those who are engaged in honest business suffer, that those who are engaged in manufacturing suffer, that those who are engaged in agriculture and farming suffer, and that, above all, the laborer suffers.

In my State alone, the money stringency last fall cost the farmers at least $5,000,000. Just about the time that the farmers had gathered their crops and were ready to dispose of them, and the world stood ready to buy them at profitable prices, they found that they could not sell for lack of currency. When the buying of grain was resumed, there were those who took advantage of the position in which the farmer had been placed, and the products of the farmer were secured at prices 10 to 20 cents per bushel less than what they were actually worth.

Now, I want to say to the Members of this House that this is a question that can not and should not be made a party question. It is a question that is of greater importance than any other question that you can bring before this House. The people in the cities and the people in the country are watching our actions, and it is for us to say whether we will follow the old system of banking or whether we shall say to the people that we stand ready to cooperate with them; that we stand ready to say that we think it possible for them to have confidence in our institutions; that we will make it possible for them to deposit their funds in our banks and not lose a single dollar. Now, will we do it? I want to say to you, as one I shall vote for a measure of this kind. It does not make any difference from which side of the House that measure comes. [Applause.]

With a law taxing banks and guaranteeing deposits, the depositors will feel confident of being paid and will make no unjust demands for their funds. The bank officials will in all cases be the ones to worry, not only over their own affairs, but over those of their fellow-bankers. This is as it should be. It will tend to create a closer relationship among bank officials, as each will, to a certain extent, be responsible for the welfare of the other. Nothing can be more important in the commercial world than a free and friendly intercourse among business men. The old saying "In union there is strength" holds good in this case as well as in all other cases where it can be applied, and I know of no other business where it can be so effectively applied and result in so marked a degree in advancing not only the interests of the banks, but also ultimately the interests of the people.

It might be well for the men who are placed at the head of our large banking institutions to take time to study the causes that at certain periods affect their business and cause them uneasiness, worry, and often serious losses. If this is done in a spirit of fairness, without prejudice and greed—if this great question is viewed from the broad standpoint of a good citizen, with no special interest or advantage to any one class in mind, but in a statesmanlike and patriotic manner, we shall have no difficulty in agreeing upon some plan or system satisfactory to all. We have sound money, now let us adopt a system, or improve our present system, so that we can truthfully say that we have sound banks. [Prolonged applause.]

Mr. SHACKLEFORD. Mr. Chairman, I arise once more to challenge the autocratic authority which the Speaker has asserted over the deliberations of this body. I regret that a sense of duty calls me to the performance of this task. If I shall be made to suffer some inconveniences by those in power here because of that which I now utter, I shall try to exercise the fortitude necessary to bear it.

I do not expect that what I say will have great influence upon the results here, but I do hope, Mr. Chairman, that some of the words which I shall now utter will float out through the corridors and out of the windows of this Capitol and out into the country where the people themselves may know what transpires in this body. If the people of the United States knew as you know, Mr. Chairman, and as I know, and as other Members know, how their voice is suppressed here, the Administration now in control would be swept out of power. [Applause on the Democratic side.]

I entertain no malevolence toward the Speaker. I have for him personally the highest regard. So impressed have I been with the successful career of this wonderful man that I have adorned the walls of my home with his picture, that there may be kept constantly before my boy and the boys of my neighbors the sublime heights which may be reached by one of such inflexible purpose as has possessed this man of iron. As an individual he is most lovable. Generous, companionable, intellectual, resourceful, persistent, and, above all, courageous, he stands a giant among men. He is the ablest and the boldest champion of aristocracy this age has produced. If the spirits of the departed are allowed to come back into this world from which their bodies have gone, with what rapture must the ghost of Alexander Hamilton contemplate the administration of his illustrious disciple as Speaker of this House? [Applause on the Democratic side.] It was the Hamiltonian view that government was for the classes, and that the only hope for the masses was that by thrift some of them might accumulate enough wealth to be admitted to the classes. This Hamiltonian idea is entertained by a majority of the leaders of the dominant party. Few of them, however, have the courage to avow it, as does the gentleman from Illinois [Mr. CANNON].

Mr. Chairman, the Speaker has overthrown the people's free government and erected upon its ruins an autocracy more absolute in its despotism than exists in any monarchy of Europe. Our forefathers bought with their blood and left us as a blessed inheritance "a Government of the people, by the people, and for the people." In the scheme of government which they provided, this House was to be the bulwark of our liberties and the forum in which Representatives were to freely deliberate and act for the general welfare, untrammeled except by the fear of God and the will of the people. No clearer conception of our system can be expressed than in the words of the Speaker himself. In his address at the beginning of this session he said:

> The fundamental principles of free government are eternal and unchanging, resting on the will and responsibility of the people, and are put in action through the deliberations of conscientious and fearless representatives of that will. This House is the only institution under our Constitution where that will of the people may be expressed with a fair approximation to scientific accuracy. To this House and this House alone belongs the peculiar, the delicate, and the all-surpassing function of interpreting and putting in definite form the will of the people.

These are the words of the Speaker; and yet that same Speaker has completely subverted the people's free government of which he so clearly speaks. On the first day of this session, lashed into fury by the deserved castigation of my colleague [Mr. DE ARMOND], the Speaker said:

> The Chair desires to state again that the Speaker of this House is the servant of the House.

Yes, Mr. Chairman, that is true when the Speaker acts within his legal authority; it is not true, however, when the Speaker sets at naught the law, overrides the House, and substitutes his own unbridled will for the will of the people as sought to be expressed by the majority of the Representatives on this floor.

Mr. Chairman, the responsibility for legislation here rests, not upon the Speaker, but upon the majority of the Representatives. The Speaker, as he well says, is "only the servant of the House," not its master. Yet this Speaker has assumed that he is responsible for everything that passes this House, and has declared that he will not permit a measure to be considered or voted upon unless he himself shall approve it. No matter if two-thirds of the Members shall favor it, still it can not be considered or voted upon unless the Speaker shall favor it also.

I hold in my hand a magazine article written by the Hon. L. White Busbey, the genial and talented private secretary to the Speaker, from which I desire to read some extracts. He says:

> The Committee on Public Buildings and Grounds prepared an omnibus bill, and three-fourths of the Members signed a request to the Speaker asking that the Rules Committee bring in a special rule for the consideration of this bill. The Speaker refused the request. The chairman of the committee pleaded and urged.

Sir, where was this "pleading and urging" done? On the floor of the House, in the open? That chairman, armed as he was with a signed request of three-fourths of the Members of the House, could not have gotten the floor for that purpose. To do his "pleading and urging" he had to sneak off to the Speaker's private room and gently tap on the door. Being admitted, he had to deferentially stand and meekly "plead and urge" with the Speaker alone as a Christian goes alone into his closet to "plead and urge" with his Maker.

Continuing, Mr. Busbey says:

> As a final stroke, the chairman said "Then, Mr. Speaker, this bill is to fall by the will of one man, who is in the chair by our votes. We have no redress from this one-man power." "Yes, you have," replied the Speaker, "you have a way to pass your bill. You placed me in the chair to shoulder the responsibility of the legislation here enacted."

Sir, I pause to have the Speaker tell us by what authority he assumes that he became responsible for the legislation here enacted by being elected Speaker. I see him sitting here now upon this floor. I ask him to rise in his place, not as Speaker, but as a Member from Illinois, and tell us how it was he "shouldered the responsibility" for what a majority of the Members of the House might enact.

But let me continue to read Mr. Busbey's account of what the Speaker said:

> In my view I can not assume responsibility for this bill. You can elect a new Speaker to-day and pass your bill if you can find one who will accept that responsibility, but if you leave me in the chair your bill will not become a law.

Who said it should not become a law? Not a majority of the

Members of the House, for two-thirds of them had signed a written request for its passage. Who, then, was it that said it should not become a law? The American people? No; because they have no way to speak except through the mouths of their representatives. Yet this one man, who under the law is only the servant of the House, gags two-thirds of the Members so that the voice of the people is stifled. This one man, exercising an authority which he has wrongfully usurped, says "I veto your bill before its passage." It is true that the President of the United States may veto a bill, but not until it has been passed. Then his veto may be overturned by a two-thirds vote of the two Houses. The President's veto is exercised in accordance with law. In this House one man in violation of the law vetoes a bill before its passage and a nine-tenths majority can not overturn it, except by first removing him from office. How does this autocrat tell us we may pass a bill here which he does not approve? We must first remove him from office as Speaker. To do that would be revolution. Then, sir, the only way a majority here can overcome this one-man power is to resort to revolution. The only way according to this Speaker for the American people to give force and effect to their will is to resort to revolution and drive from office this czar who obstructs them. Has it come to pass that the Speaker of the House of Representatives has brought us to the level of the Russian peasants who have no privilege but that of revolution? Think of it, Mr. Chairman. This man tells us that a majority here can not pass a measure which he disapproves without we first expel him from an office to which we have elected him. This one man is stronger than a two-thirds majority of the House. The bill which Mr. Busbey tells us was supported by three-fourths of the Members of the House never got off of the Speaker's table, and died with the session. Oh, Mr. Chairman, what a morgue is that Speaker's table! I call upon the American people to come up to that morgue and view their dead. [Applause.] I have not time to catalogue the corpses. I will speak of some of them.

At the beginning of the Fifty-sixth Congress I introduced a bill here providing for the abolition of the duty on wood pulp and printing paper. Some others introduced the same bill. I have introduced it in every Congress from that day to this. Where is it? It is down in a pigeonhole in the Ways and Means Committee room, presided over by the genii that have been selected by this autocrat to see that all who enter there leave hope behind. [Laughter.]

My friends from Wisconsin, give me your ears. You go out into your country and you tell the people that you are in favor of revising the tariff. The membership of this House from Massachusetts do the same thing. I want to suggest to you what a magnificent convenience you have. You can shout tariff revision as long as you please; you are in no danger, because as long as you uphold the Administration that now controls this House you can make your people any promise that you please; this Speaker will see to it that you do not have to redeem your pledge. [Laughter.]

Are you what you profess? Then come across, come over to us now and let us join hands and make a fight in the only way a fight can be made by breaking down the autocracy which will not allow the people's representatives to do what a majority of the people want done.

How many Members in this House will stand up in their places and say that they are opposed to the abolition of the tariff on wood pulp and printing paper? I see one, two, three, four, five. We have five out of 386 Members bold enough to hold up their hands and say that they are opposed to it; and even they have not given their names so that they may go in the RECORD. Four-fifths of the membership of this House favor the measure. Why don't we pass it? Because it is buried in the committee room of the Ways and Means Committee.

I should like to make a motion to discharge the committee from further consideration of the bill and bring it on the floor for action. It is a perfectly fair motion for me to make. Why do I not make it? Because the Speaker of the House would say, "For what purpose does the gentleman rise?" And when I should state my purpose I would go down as if knocked with a sledge hammer. [Laughter.]

What have the trusts to fear? You Members over there who enact these rules, who put this autocrat in power over us, you are perfectly safe; you can get the support of both sides; you can have the trusts support you because you don't do them any harm, and then go out and fool the people by making them believe that you are trying to do them some good.

There is a rule of this House which provides that on one day in the month there shall be a motion to suspend the rules and pass a bill. It is privilege, and a privilege that does not inhere in the Speaker, but to the individual Members of this House; and yet there is not a man on this floor who will say that he ever received recognition for a motion to suspend the rules unless he went first meekly and humbly into the Speaker's room to beg as a favor that which was already his as a matter of right. I dare say that during the entire reign of this Speaker no Member has ever risen in his place as a matter of right, as a Representative of the people, and received recognition to move to suspend the rules. You must first get consent of this one-man power that controls us or you can accomplish nothing.

Back in my State some of the people are wet and some of them are dry. They believe in the fundamental doctrine of local self-government; in some counties they have declared that liquor shall not be sold in their midst. And what is the result? They have closed out the liquor dealers, but original packages are pouring in there by express, with the loss of revenue, and still having all the liquor that they had before. The people do not want it there; they have said by their votes that they are opposed to it, but it is carried there under the construction of the law governing goods carried from one State to another in original packages.

There has been before this House, before I came here in the Fifty-sixth Congress, and each and every day since then, bills seeking to remedy that situation. What has become of them? They have been sent down by Charon across the river Styx from whence they may never return. Are the people of the United States in favor of making liquor shipped in original packages subject to local laws of the communities into which they go? Yes. Three-fourths of the membership of this House are in favor of it. Everybody is in favor of it except the special interests, the brewers, and the distillers and the Ægis of the classes that presides over the destinies of legislation in this House. I should like to move to discharge that committee and take that bill up for consideration in the House. Who is in my way? The membership? No! The membership of this House are in favor of it. Who is in my way? Who is in the way of the American people here upon this question? One man! Not Alexander Hamilton, but his talented disciple.

Back in my State there are hundreds of old soldiers who enlisted in the cause of the Union under the Stars and Stripes to preserve this country indissoluble. For more than twenty years we have been seeking to get onto this floor a bill giving them a pensionable status. They fought as did other soldiers for the maintenance of the Union. Our bill—I have one in this Congress and it is buried in the Committee on Invalid Pensions where I can not get it out—I would like to get it on this floor. I would like to make a motion to discharge the committee from its consideration and bring it up here and let us submit it to the wisdom of this House. I would not ask the Speaker to become responsible for it. All I ask of him is that it be brought here and passed or defeated by a free, honest vote of the Representatives of the American people. Those old soldiers have waited a long time, hoping that Congress would be just. Old and trembling now, they ask for relief. I believe Congress is ready to give it. But one man stands in the way and blocks us. Who is he? He is the Speaker of this House, that disciple of Alexander Hamilton, who exerts the great power which he has usurped to promote the interests of the special classes.

We have injunctions. In the State of Missouri we passed a law to regulate freight and passenger rates. Where is that law? For two years it has been held up by injunctions issued by a Federal judge who came from up in Iowa. One man from another State comes into our State and at one fell swoop restrains every officer of our State from enforcing a law that has been deliberately worked out by the people and their representatives. We want the power of the Federal courts to issue injunctions limited. The representation on this floor wants to pass a law limiting Federal injunctions. The laboring people have been standing around the corridors of this Capitol for years pleading that we relieve them from the horrible results of these improvident injunctions. This House is ready to limit this tyrannical power of the courts. Give us a chance to do it. Mr. Speaker, if it is done the responsibility will not be upon your shoulders. The responsibility will be upon the shoulders of us who come here as the Representatives of a free people to deliberate and to act untrammeled as the will of our constituents demands. Give the farmers, the laboring people, who are oppressed by these improvident injunctions, some relief.

I beg of you, Mr. Speaker, give us an opportunity to express the will of the people. It is up to you, Mr. Speaker. We can give the relief that the people demand in thirty minutes if you will ascend to that chair and say that the question may be brought to a vote. We can pass that law in thirty minutes, Mr. Speaker, if you will give your consent that some Representative on this floor may move for its consideration. But it can not be done. Why? Because, Mr. Speaker, you block the

way. No matter from what direction we come to ask for these things that we people demand we are blocked, securely blocked, by your one-man power that rules here. Every Republican is relieved from responsibility. He can go back home, as I said a moment ago, and shout reform until his lungs have been exhausted. It does not do any good and it does not do any harm. The trusts, the special interests, are shielded behind that marble desk in front of the Speaker's chair. If the American people will only rise to the exigency of the occasion, if they will only understand as you understand it, Members of this House, and as I understand it, the place to assault is that citadel of the special interests, they will succeed. They will do it when they understand it, and in order that they may understand it, I have taken the floor. It has been an unpleasant task. I wish that somebody else more able had undertaken it, but it is something that I could not allow to pass and feel that I had honestly served my constituency.

No man will rise in his place and say that what I have uttered is not the truth. Mr. Busbey, the confidential secretary to the Speaker, has given you the pen picture which I read of how the Speaker killed one bill. That is precisely the way in which he has killed all these other bills in which the people are interested, and until that is remedied it is useless to talk about free government, it is useless to talk about reform, it is useless to talk about doing anything in the interest of the people. The consolation that the Speaker offers is that if we do not like what he does we may remove him. In Russia when the peasant does not like what the Czar does he throws a bomb and blows him out of his seat. Here the Speaker states when we do not like the way he rules that the only remedy we have is that we throw him out of his office. That is not the genius of our Government; that is not the system that was erected for our control. The founders of the American Government were not the Hamiltonians; they were the Jeffersonians. They believed that you could trust the people, and, Mr. Chairman, you can trust the people. It is the only power in this country that you can safely trust. If temporarily they go wrong they will right themselves. Trust the people; give these Representatives their rights upon this floor; let every man have the privilege to rise in his place and present what he chooses for the consideration of this House, and then let that matter be disposed of by a free and an untrammeled expression of the Representatives of the people.

If any Representative shall so far forget himself as to do that which is wrong, his constituency will reckon with him when the next election rolls around. It was intended that the ballot box and not the Speaker's gavel should be a check upon the Members of this House. It was not intended that this should be a penitentiary where we should have a warden and a deputy warden; that Representatives were to come here with shackles upon their consciences and manacles upon their intelligence, and, if Republicans, be delivered over to a warden, and, if Democrats, to a deputy warden. That is not the spirit of our Government. We are not expected to be put into close column, each man with his hands on the shoulders of the one in front of him, and told to march lock step. This is not the place for a lock-step march. This is a place where every man ought to be permitted to express the sentiments of his own people as he understands them, responsible only to the God who observes what he does and to the people who gave him their support. I have called attention to this in my feeble way. I hope that there are some others abler and bold enough to keep up the struggle.

"Open these windows," as some old German parliamentarian said when he commenced to speak and the members got up and went out. He asked the presiding officer to find the janitor. Inquiry was made as to what he wanted with the janitor, and he said: "I want him to open the windows so what I say may be heard by the German people." That is what I want to-day. I do not expect this to be heeded by those who stand here in control, but I do want the American people to come into a full realization of the tyranny to which we are subjected. What will be my part for what I have done and said to-day God only knows, but let it come. I have taken the floor fearlessly as a defender of the liberties of my people, and I have this time, as I have done on former occasions, challenged the authority of the Speaker of this House to control it as he does and to continue the issue with him, which I will fight out as long as I am in public life, whether the people at the ballot box shall not compel him to deliver back their free Government which he has so ruthlessly taken away from them. Mr. Chairman, I thank you. [Applause on the Democratic side.]

Mr. SABATH. What was the gentleman's question, may I ask? Whether the House was in favor of removing it?

Mr. SHACKLEFORD. Yes, the House is in favor of it.

Mr. SABATH. I want to be recorded that I am in favor of removing the tariff from wood pulp.

Mr. SHACKLEFORD. Everybody is in favor of it except the "big three." [Laughter.] All are in favor of it except the Speaker and the Rules Committee.

Mr. LIVINGSTON. Mr. Chairman, I ask that the gentleman from Wisconsin [Mr. MURPHY] have permission to have a letter read at the desk. It will only take a minute of time.

The CHAIRMAN. Without objection, the letter will be read.

There was no objection.

The Clerk read as follows:

THE STATE CIVIL SERVICE REFORM ASSOCIATION,
Milwaukee, January 22, 1908.

Hon. JAMES W. MURPHY,
Member of Congress, Washington, D. C.

MY DEAR SIR: The executive committee of the State civil service league of Wisconsin, in behalf of the members of the league and the friends of the merit system throughout the State, earnestly request you to endeavor to secure the insertion of a clause in the bill (H. R. 7597, introduced by Mr. CRUMPACKER) providing for a census in 1910, requiring that the 4,000 or more additional employees under the Census Bureau shall be selected by competitive tests under the civil-service rules. We respectfully protest against the clauses in said bill which provide for the appointment of the additional clerical force through noncompetitive instead of competitive examinations. The noncompetitive tests used in selecting the employees of the last two censuses are said, upon good authority, to have served as a mere cloak for the spoils system, and resulted in extraordinary and unnecessary expense, and incompetent, inaccurate, and even fraudulent work. It is desirable that that record shall not be repeated. We earnestly call your attention to the President's message on the subject, sent to Congress on the 6th of this month, as representative of the influential public opinion of this and many other States. We should appreciate a reply stating your own views on the subject.

Very respectfully,

JUDSON TITSWORTH,
GLENWAY MAXON,
G. W. HAZELTON,
JOHN A. BUTLER,
For the Executive Committee.

Mr. LIVINGSTON. Mr. Chairman, I yield thirty minutes to the gentleman from Nebraska [Mr. HITCHCOCK].

Mr. HITCHCOCK. Mr. Chairman, I shall not consume all the time that has been allotted to me, and I desire only to use so much of it as may be necessary to make some comment upon a recent unofficial prophecy of the late official prophet of the Republican party, General Grosvenor, of Ohio. While in the city a few days ago he made an elaborate and carefully prepared statement in the nature of a prophecy to the effect that the prospective nominee of the Democratic party could not by any possible computation be figured out as able to secure more than 166 of the electoral votes of the United States, and in making this prophecy this prophet, recently out of a job, used this language:

> Bryanism has been the bane of the Democratic party in the East and great Middle West for all these years.

Now, Mr. Chairman, some one has said that "The best of prophets of the future is the past," and the world's greatest poet has said that "One thorn of experience is worth a whole wilderness of warning." Therefore it happens, Mr. Chairman, that even if the Democratic party were disposed to take its warnings and its prophecies from high Republican sources and from assistant Republican newspapers, that party is much more likely to look to its experience of recent years and scan the statistics of recent elections than it is to heed the grave warnings of eminent Republicans who are very anxious to save the Democratic party from a terrible mistake. What are those experiences?

In the table prepared by the eminent gentleman from Ohio, we find 166 electoral votes accorded to Bryan in the approaching election, as follows:

Alabama	11	North Carolina	12
Arkansas	9	Oklahoma	7
Florida	5	South Carolina	9
Georgia	13	Tennessee	12
Kentucky	13	Texas	18
Louisiana	9	Virginia	12
Maryland	8		
Mississippi	10	Total	166
Missouri	18		

After this concession to "Bryanism" the same prophet proceeds to foretell which States will surely be Republican. These so-called "safe Republican States" embrace, among others, the States of Colorado, Idaho, Illinois, Indiana, Montana, Nebraska, Nevada, New York, and Ohio. Now, for a few moments, I desire to draw attention to these States, which cast in all 126 electoral votes, and in which Democracy is alleged by the prophet to have been so terribly damaged by the "bane of Bryanism." What do the figures of the elections show? Taking the first State, Colorado, we find that Mr. Bryan in the year 1900, in the last campaign in which he was a candidate, polled 122,000 votes, and that the Democrat nominated by the Democratic party in the last campaign as safe and sane, representing, as our Republican friends tell us, the real, wise, and hopeful

candidacy of the Democratic party, polled only 101,000 votes four years later.

Mr. BONYNGE. May I ask the gentleman a question? Has he the figures of 1896, when Mr. Bryan carried the State by about 136,000 plurality, and in 1900 by 29,000 plurality? At the same rate of figures the Republicans ought to carry the State next time by 100,000. [Applause on the Republican side.]

Mr. HITCHCOCK. I reply to the gentleman from Colorado [Mr. BONYNGE] to this effect, that Mr. Bryan in both campaigns carried this Republican State by large majorities, and that with the exception of Colorado every one of these States gave Mr. Bryan substantially the same vote in 1900 that it gave him in 1896. [Applause on the Democratic side.]

Mr. BONYNGE. The gentleman was talking about Colorado and I wanted him to give the facts.

Mr. HITCHCOCK. It did so, Mr. Chairman. Moreover, in spite of the fact in 1900 that the Republican candidate for President was running for reelection; in spite of the fact that he had at that time, as the Republicans have not now, the argument of the full dinner pail; in spite of the fact that the Republicans at that time had, as they have not now, the argument of a successful war, Bryan carried this Republican State and can do so again. Colorado, moreover, is the only one of the debatable States in which Mr. Bryan's vote declined from 1896 to 1900, and even then, after that decline, he had enough to carry the State against McKinley by nearly 30,000 majority. He had more than any other Democrat ever received in Colorado before or since. [Applause on the Democratic side.]

Come, now, to the State of Idaho. He carried that State in 1896, and again in 1900. No other Democratic candidate for President ever carried that State. When Judge Parker ran—and in speaking of him I speak in no disparagement, because his candidacy was not one in which his personal strength was the test. His weakness was the weakness of the reactionary. It was the weakness of a general who was leading toward the rear and not toward the front. [Applause.] When Mr. Parker ran in Idaho he polled only two-thirds as many votes as Mr. Bryan had polled four years before.

Coming now to the State of Ilinois, which General Grosvenor denominates as surely Republican, because Democracy there suffers from the bane of Bryanism, what do we find? We find that Mr. Bryan polled in that State 503,000 votes in spite of the flood of money which was poured forth at the last moment to purchase the electorate. We find that Judge Parker four years later polled about 200,000 votes less. [Renewed applause.] Mr. Bryan polled in Illinois more votes than any Democratic candidate for President before or since. Running four years after Cleveland, he had 40,000 more votes, and running four years before Parker, he polled 175,000 more votes than Parker. [Applause.] Does that look as though the Democracy of Illinois was suffering from the "bane of Bryanism?" Mr. Bryan did not carry the State then, although I believe he will carry it this year. [Loud applause on the Democratic side.] But he lost Illinois by a vote which was 200,000 to the good, as compared with the reactionary candidate.

Let us now look at the State of Indiana, which Republican prophets warn us will surely be Republican if Bryan runs. Here we can more emphatically repeat the statement made by me about the State of Illinois. No Democrat who ever ran for President in Indiana, or for any other office in Indiana, ever polled as many votes as Bryan did in 1900 against Mr. McKinley, the popular and militant President of a successful war and the prophet of a full dinner pail. In 1896 Mr. Bryan polled 43,000 votes more than Cleveland had done four years before, and he polled in 1900, 35,000 votes more in Indiana than Judge Parker did four years later. Does that show weakness or strength in Bryanism?

Now we come to the State of Montana, denominated as safely Republican. Mr. Bryan carried that Republican State both times; and in 1900 polled 16,000 more votes than Parker did four years later.

In Nebraska, my own State and Mr. Bryan's State, he carried it in 1896, and in 1900 even though he lost it by a narrow margin he polled more than twice as many votes as were given to Judge Parker four years later. [Renewed applause on the Democratic side.] And it may be said, Mr. Chairman, that as a result of Bryanism, the Republican majority in Nebraska, which had originally been nearly 28,000, has been so reduced as to be less than half that size; and we feel confident in this year of grace, with Bryan as our leader and candidate, we will carry that State for him. [Loud applause on the Democratic side.]

Mr. KEIFER. I would like to ask the gentleman—he may have stated it, although I failed to hear it—what the vote for Bryan was in 1900 as compared with his vote in 1896 in Nebraska?

Mr. HITCHCOCK. In Nebraska?

Mr. KEIFER. Yes.

Mr. HITCHCOCK. I think I can furnish the information. [Cries of "Go on!"]

I will reply to the distinguished gentleman from Ohio by a more comprehensive statement perhaps than he anticipates. The total popular vote of the United States for the Democratic candidate in the year 1900, when Mr. Bryan ran, was 6,358,000. Four years later, when Judge Parker—a man of unimpeachable character, a man with a great reputation as a lawyer, a man who stood high in the Empire State and wherever lawyers are known—in that campaign Judge Parker polled 5,077,000 votes.

Mr. KEIFER. A further question; the gentleman did not answer the other. Do you know whether Mr. Parker is right in his statement of a day or two ago that Mr. Bryan did not act in good faith, and according to promise, or he would have got more votes?

Mr. HITCHCOCK. I think, Mr. Chairman, that Mr. Bryan is entirely able to answer personal questions himself. My opinion is that he acted in very good faith and that he carried himself in a model way under the circumstances. [Applause on the Democratic side.]

It will be remembered, in further answer to the gentleman's question, that when the great convention was held in St. Louis a desperate fight occurred in the committee on resolutions. Single handed and with a vigor and energy and ability unparalleled in struggles of that sort, Mr. Bryan for several days and several nights succeeded, by his work on the committee on resolutions, in preventing that committee from reporting a platform which he could not honestly support and defend before the people. After the resolutions had been adopted, after the platform had been made, after the candidate had been nominated, or about the time he was nominated, after the books were closed, that candidate by wire made, without authority, what he called and his friends called "an addition to the Democratic platform." And yet Mr. Bryan went forth in that campaign and made the best fight that he was capable of in support of that ticket.

Mr. GAINES of Tennessee. And Judge Parker thanked him.

Mr. HITCHCOCK. He fulfilled his pledge and received the thanks of Judge Parker during or near the close of that campaign. [Applause on the Democratic side.]

Mr. KEIFER. I did not understand the gentleman to answer my question about the relative vote for Bryan in Nebraska in 1896 and in 1900.

Mr. HITCHCOCK. I assure the gentleman from Ohio that I am not afraid to answer the question.

Mr. KEIFER. You can answer it in a word.

Mr. WEISSE. If the gentleman wants those figures I will go into the House Library and get them in a minute and take that load off the gentleman's hands.

Mr. HITCHCOCK. Unfortunately I have not before me the figures for both years. I find that Bryan polled 114,000 votes in the year 1900, which was the year of his second campaign, and four years later Judge Parker polled 51,800 votes.

Mr. MACON. Mr. Chairman, I desire to interrupt the gentleman just a moment, in reference to Bryan's work for the ticket that was nominated in St. Louis.

Mr. HITCHCOCK. Yes.

Mr. MACON. I desire to state that he did noble work after that convention adjourned, notwithstanding the fact that every little two-by-four would-be statesmen in that convention had tried to drive him out of the party.

Mr. HITCHCOCK. Yes. I think the gentleman from Arkansas is eminently correct in that. And now, as I have been interrupted by the distinguished ex-Speaker and Representative from Ohio [Mr. KEIFER], I want to give him some figures on Ohio.

Mr. OLLIE M. JAMES. Will the gentleman from Nebraska permit me just a moment? The question asked by the gentleman from Ohio as to whether or not Judge Parker impugned the good faith of Bryan would seem to lead to the inference that Bryan did not support him loyally in the campaign. Judge Parker did not intimate such a thing.

Mr. KEIFER. Oh, yes.

Mr. HITCHCOCK. No; he did not. He simply said that Mr. Bryan before Parker's nomination had made speeches or statements which were used afterwards by Parker's enemies to hurt him, but he in no way implied that Bryan did not support him after he was nominated.

Mr. GAINES of Tennessee. Is it not also a fact that while he was making his great campaign for Parker in Indiana that Judge Parker wired him and thanked him for his brilliant and magnificent defense of him?

Mr. HITCHCOCK. Yes.

Mr. GAINES of Tennessee. I remember that distinctly.

Mr. HITCHCOCK. Now, I desire to refer to the State from which my distinguished interlocutor [Mr. KEIFER] comes. Ohio is put in the Republican column, as beyond all doubt, by General Grosvenor, and put there as more impossible for Bryan than for any other candidate. Yet what are the facts? They are that Bryan polled more votes in Ohio than any Democratic candidate before or since. [Applause on the Democratic side.] Does that look as though Bryanism is a bane on the Democracy of Ohio? Or may that great Bryan strength in Ohio possibly afford a suggestion of the motive for the disinterested nonpartisan advice of General Grosvenor and other eminent Republicans and assistant Republicans who have advised the Democrats not to nominate Bryan? [Applause on the Democratic side.] Bryan polled 130,000 more votes in Ohio in 1900 in a campaign against Ohio's favorite son, who was then President of the United States—he polled 130,000 more votes than Parker did four years later without an Ohio candidate against him. Does that show Bryan weak or strong in Ohio? And when we come finally to the State of New York, from which Judge Parker hails, we find that Bryan polled substantially in 1900 as many votes as Parker did in 1904, and that the majority against Bryan in that State was not so great as against Parker by some 32,000 votes.

Now, Mr. Chairman, I rarely make a political speech, and I have only been moved to do it on this occasion because there has seemed to me to be a systematic conspiracy in high places, among Republicans and assistant Republicans, posing sometimes as the friend of the Democratic party, to misrepresent and distort the facts. I have brought here some of the figures of the campaigns of our recent experience to demonstrate that Bryanism rather than being the bane of the Democratic party is its strength at present and its hope of the future. [Great applause on the Democratic side.]

Mr. LIVINGSTON. I now yield to the gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES of New Jersey. Mr. Chairman, in the time allotted to me I wish to read as a part of my remarks an article entitled "The fundamental cause of hard times," taken from The Public.

[The Public. Louis F. Post, editor; Alice Thatcher Post, managing editor; Chicago, Saturday, January 11, 1908.]

THE FUNDAMENTAL CAUSE OF HARD TIMES.

SHORTAGE OF MONEY.

Financiers explain the present commercial disorder, about which there is so much optimism and so little hope, as a result of insufficient money. But this explanation is not in alignment with the facts. Money is more plentiful than it has been for many years; and though it has been hoarded, the hoarding did not begin until the banks suspended cash payments. Moreover, the free use of checks and other substitutes for money has practically removed all the barriers to normal trade which could by any possibility be attributed to hoarding or to money scarcity from any other cause. Evidently a more radical explanation is necessary than shortage of money.

LOSS OF CONFIDENCE.

The "man in the street" is nearer right when he refers owlishly to "loss of confidence." His explanation is at least as good as that of the medical men who account for deaths by "heart failure." But as they seek the curable causes of such deaths back of their climax in heart failure, so must the curable causes of hard times be sought back of their climax in "loss of confidence."

If we make this search, we shall find that the loss of confidence is in speculative values. So long as confidence in speculative values persists, we have what we are pleased to call "prosperity;" but when the limit of confidence is reached, the fever of speculation subsides and the chill of hard times sets in. Hard times are due to loss of confidence in speculative values.

But speculative values of what?

Of different kinds of commodities, to be sure; but always of commodities possessing two market characteristics—intense demand and monopolized supply.

No speculative value can long attach to anything which is not an object of general and intense desire, nor then unless the supply is so monopolized that it does not readily respond to demand. If, on the one hand, the desire were neither intense nor general, prices couldn't rise high enough for a disastrous collapse, for demand would begin to shrink as soon as prices began to expand, and this would operate as a check upon further price expansion. If, on the other hand, the intensely desired commodity were not monopolized, its price could not rise high enough for a disastrous collapse, for supply would then keep pace with demand, and this also would operate as a check upon price expansion. But when desire is intense enough to continue to enhance demand, and monopoly is strong enough to restrict supply, prices tend to rise to the limit of confidence, and thereupon there set in those speculations which end in a crash as soon as loss of confidence in higher values becomes a factor in the market.

When that crash comes, the toppling over of the speculative structure wrecks legitimate industry also, because speculative business and legitimate business are so intimately related that any general paralysis of speculation tends to paralyze the whole commercial system.

THE TULIP CRAZE AS AN EXEMPLIFICATION.

In the history of the noted tulip craze of Holland, about the middle of the seventeenth century, may be found a simple and impressive exemplification of the principle suggested above.

Desire had been widespread among the well-to-do classes for a root that produced a peculiar flower. At this stage the craze was not unlike those society fads of our own time over extraordinary chrysanthemums and orchids. But unlike these modern flower manias, the tulip craze of Holland spread beyond the leisure classes. It grew from a mere class fad into a commercial speculation. So far did it invade the domain of commerce that as many as nine exchanges were established exclusively to deal in rare tulip bulbs as we deal in these days in grain and stocks. Here was clearly present that intense general desire which, if the commodity desired be monopolized, causes the speculation that ends in general disaster. Although the tulip bulb was not an absolute monopoly, it was monopolized in great degree through the ownership of choice varieties and specimens, and this brought about the conditions of disaster—increasing general demand, monopoly of supply, speculative mania, collapse, depression.

While the craze lasted the prices of tulip bulbs of special varieties ran up into the thousands of dollars, and titles to them were distributed in undivided interests, like titles to real estate or turnpikes or canals or railroads or industrial trusts in later times. These interests were sold "short" and bought "long," and the shares in them were hypothecated as collateral for loans.

Yet the bulbs had no very great real value. Their values were almost wholly speculative. That is, they brought high prices on 'change because there was confidence in a continued desire or demand for them and in a continued monopoly of the supply.

So long as confidence in those two conditions prevailed, confidence in the speculative values of tulip bulbs held strong and prices soared. Everybody who had an interest in tulip bulbs, or who was a tulip-bulb lawyer (and there were many such), or was a broker or dealer in tulip-bulb interests in any way, thought he was getting rich. Living in an era of "abounding prosperity," whether he used those words or not, not for worlds would he have disturbed confidence by "calamity howling" or "knocking." These fictitiously rich people spent money freely. They invested with the self-satisfied air of your successful business man before his fall. They borrowed one another's credit, and they lent their own. They figured as men of financial weight. They lived expensively. And with the fatuity of the optimistic man of affairs in all ages they expected this golden era to last forever.

All went well enough while confidence in the continued speculative value of tulip bulbs lasted, but after a while confidence began to wane. At first only the more cautious speculators lost confidence. No doubt they kept their feelings to themselves. Probably they continued to adjure everybody, in classic Dutch, never to "knock" but always to "boost." But they unloaded their own tulip-bulb interests and they bought no more.

Of course, the tulip market soon began to sag, and then it sagged more and more, as other and still other optimists of the prudent sort gradually unloaded their tulip interests. And after the market had sagged a while it crashed.

Do we need to be told what happened then to the confiding people who had held to their tulip bulbs while the more prudent optimists, singing pæans to prosperity, were unloading, or to those upon whom these unloaded? Can we not imagine the calamities that engulfed all who had heavy investments in tulip-bulb interests—all who had pledged tulip-bulb interests as collateral and were loaded down with debt for which they had little else than tulip-bulb interests to show? Can we not realize the situation of the money lenders who held tulip-bulb collateral at, say, 60 per cent of the market value, and of the tradesmen and the workers generally who had claims upon "busted" tulip-bulb nabobs for goods supplied or houses built or service rendered?

Many a Dutch home was desolated and doubtless many a placid Dutchman bewailed "the money famine." But if they were living now, those Dutchmen, they would see, as we can, that the true cause of their disaster was not scarcity of money, but general loss of confidence in the speculative values of tulip bulbs.

LESSON OF THE TULIP CRAZE.

Haven't we had commercial crises since, without tulip crazes? Certainly. But we have had none without the precise conditions, essentially, of the tulip craze. In them all there has been a period of speculation in one or more objects of intense desire, the supply of which has been monopolized; and this speculation has been so general and so intimately related to legitimate business that when the speculative values have collapsed the entire commercial system has suffered from the shock.

The things that acquire speculative value in greater or less degree according to expected demand, and to the obstacles thrust in the way of supply, include railroads, canals, street cars, maritime privileges, trading privileges, telephone and telegraph privileges, land monopolies of various kinds, and so on. Indeed, land monopoly is usually the controlling factor in all. Don't railroads, canals, turnpikes, telephones, telegraphs, and street cars depend upon monopolies of rights of way over the land? and are not maritime and trading and all other seagoing privileges usually valueless unless connected in some way with land monopoly? The only great exceptions, perhaps, are patent rights—using that term inclusively. These may be exclusive rights to use inventions, as under our patent laws; to manufacture money, as under our banking laws; or to manufacture or sell certain commodities, as under the monopoly régime of the "good Queen Bess." Even these patent privileges are so associated in use with landed monopolies that under our system of free trade in land their speculative values attach very largely to land monopoly. So great is that effect, and so much larger are the speculative interests in land monopoly than in any other kind, that it may be fairly said that the speculative values which by collapsing produce industrial depressions, are the speculative values of land monopoly. These are the tulip-bulb values of modern speculation.

LESSON OF THE SOUTH SEA BUBBLES.

The two most noted commercial crises in Europe after the tulip craze were obviously caused by collapse of the speculative values of land monopoly. We allude to the "South Sea bubble" and the "Mississippi scheme." Both were South Sea bubbles; that is, both were collapsed speculations in the American hinterland beyond the Mississippi River, which had been supposed to extend to the South Seas. The "Mississippi scheme," engineered by John Law, was French; the "South Sea bubble" was a British imitation. Each was at its height, however, and each came to grief, at about the same time—1719 to 1720.

Speculation in the stock of the "Mississippi scheme" had reached 610 to 1 in August, 1719, and by April, 1720, it was at 2,050 to 1. Why? Because in 1719 the company had been granted by France a monopoly of the trade of the French possessions beyond seas, including especially the Mississippi country of North America. It was like a street franchise or a railroad grant of the present time, or a turnpike or canal franchise or an anthracite coal deposit a hundred years or so ago. Everybody wanted a chance in this scheme of getting something for nothing.

After reaching 2,050 to 1 the stock collapsed even more rapidly than it had expanded. Why was that? Financial historians of one school say it was because paper money issued by the company came tumbling in for redemption in specie; financial historians of another school say it was because the paper money had unfortunately been made redeemable in specie. But the crucial point is why this money came tumbling in for redemption at all.

Loss of confidence? To be sure. But loss of confidence in what?

There is but one answer that the facts will sustain. It was loss of confidence in the speculative value of exclusive rights to exploit the producing and trading opportunities of the French landed possessions over seas.

The "South Sea bubble" of England was a doublet to the "Mississippi scheme" of France. The South Sea Company had a monopoly of the South Sea trade, and the speculative value of its stock ran up rapidly to 1,000 to 1. Why? Evidently because of confidence in the great value of the privilege of monopolizing the trade and developing the productive opportunities of the hinterland of North America. The stock would doubtless have gone higher if some of the insiders—the British Pierpont Morgans of that era—hadn't lost confidence early and begun to unload upon an optimistic public. In a few days, at any rate, this stock had fallen from 1,000 to 1, down to 135, and then to nothing, bringing on a tremendous commercial crash.

Why?

Evidently from loss of confidence in the speculative value of those monopolized privileges in the North American hinterland, which had linked themselves in the market with legitimate business.

THE FIRST AMERICAN DEPRESSION.

The same relation of confidence in the speculative values of landed privileges to industrial depressions is manifest in the historic crises of the United States, of which there have been six since the Revolutionary war, the present being the seventh. The first was from 1784 until 1790.

There had been great prosperity in the colonies during the latter part of the colonial period; and though times were hard during the Revolution, this was accounted as one of the hardships of war. But the expectations of good times with peace were disappointed, and 1784 is noted as a black-letter year in the period of commercial distress that lasted in the nineties.

The common explanation, then as now, and as in every intermediate depression, was scarcity of money. There was naturally, therefore, a cry for more money; and much paper money was issued, and many were the laws which were passed to force its circulation. An old pamphleteer of the time, Pelatiah Webster, declared that the scarcity was not of money, but of confidence in securities. He was doubtless right. The fact that lands were sold for half their value, as the historians tell us, is far more significant of a period of speculative land values in anticipation of the good times to come with peace, than of scarcity of money.

THE SECOND AMERICAN DEPRESSION.

Between the first and the second industrial depression in this country there was an interval of nearly twenty years—from about 1791 to about 1809. This interval was famous for prosperity. It was also notable for those phenomena of speculation that were characteristic of the tulip mania and of the South Sea bubbles. Western colonization stimulated speculation in Western lands. The discovery of anthracite coal deposits brought on speculation in mining stock. Textile manufacture enhanced the speculative value of material-producing land everywhere within reasonable reach, and by building up factory towns it gave an impulse to urban land values. Canal companies, bridge companies, turnpike companies, land companies were chartered, all with grants of privileges for levying tribute. And so confident were the public that these monopoly privileges would be extraordinarily profitable, that an era of wild investment set in, precisely the same in principle as that of the tulip bulbs and those of the South Sea trade. For a long time everyone thought he was getting rich. But about the middle of the first decade of the new century confidence in these speculative values was checked, and by 1809 the boom had burst.

The twenty years of "bounding prosperity" were now succeeded by fifteen of hard times throughout the East, relieved in the West by a brief interval of tulip-bulb prosperity. The rush of migration westward, due to hard times in the East, had been followed by a fever of speculation in Western lands; and when this incidental or intermediate boom collapsed, as collapse it had to, it collapsed for the same reason that the tulip craze had, for the same reason that the Mississippi and the South Sea bubbles had, for the same reason that the boom from 1791 to 1809 had—from loss of confidence in speculative values. For the most part, if not altogether, these Western values were land values. Land went down in value with a rush in 1819—a fourth, a third, a half.

The collapse was attributed, as usual, to financial derangements, but isn't it plain that it must have been due to loss of confidence in land speculation?

After land values all over the country had in that fateful year reached the lower levels upon which profitable production was possible, signs of general revival were visible, and in a few years the long-drawn-out depression of 1809–1824, the second of our national history, with its short speculative diversion in the West, had come to an end.

THE THIRD AMERICAN DEPRESSION.

Hardly were the improved conditions following the second depression fairly realized than they began to generate anew the speculative mania which only could and in due time did in fact, produce the third depression, that of 1837–1842.

Speculation in land values was again evident as early as 1826, about the time the Erie Canal had connected the Great Lakes with the sea. Railroad building began later to furnish opportunities for speculation in transportation monopoly in place of the canal and bridge stocks of the early part of the previous era of prosperity. In 1830 there were only 36 miles of railroad in the country, but by 1831 a mania for railroad building had spread throughout the nation, and speculation in railroads as well as in town lots and public lands was under full headway. Again we were in boom times. Again there was "bounding prosperity." But again it was of the tulip-bulb kind, and signs of collapse were in the commercial sky in 1833 and 1834, just as they were last spring and last summer.

When the inevitable crash of 1837 came, it was attributed by the financiers and their dupes to Jackson's circular requiring specie payments for public lands, much as the present crash is attributed by financiers and their dupes to Roosevelt's war upon big business. But Jackson's specie circular, if it caused the crash in any sense at all, caused it only as a pin prick may cause the collapse of a bladder already blown to the bursting point, caused it as the demand for specie caused the collapse of the Mississippi scheme already expanded by speculation to a point beyond which confidence could not go.

That the buying of public lands had risen from $4,887,000,000 in 1834 to $24,000,000,000 in 1836 is hint enough of the heights which land speculation must have reached. Railroad building had risen from 36 miles in 1830 to 1,273 in 1836, which gives a hint of the probable speculation in railroad stocks and in the lands of the territory which the "iron horse" was opening up.

Edward M. Shepard thus describes the phenomena in his Martin Van Buren:

"It did not seem necessary to create wealth by labor; the treasures lay ready for whomever should first reach the doors of the treasure houses. To make easy the routes to El Dorado of prairies and river bottoms was the quickest way to wealth. Roads, canals, river improvements, preceded, attended, followed these sudden settlements, this vast and jubilant movement of population. There was an extraordinary growth of 'internal improvements.' In his message of 1831, Jackson rejoiced at the high wages earned by laborers in the construction of these works, which he truly said were 'extending with unprecedented rapidity.' * * * If new lands at the West could be made accessible by internal improvements, the succession of seedtime and harvest had for a dozen years seemed no more certain than that the value of those lands would at once increase prodigiously. So the American people, with one consent, gave themselves to an amazing extravagance of land speculation. * * * Everybody thought himself richer and his labor worth more. * * * Lands near the cities and villages of the State [New York] had risen several hundred per cent in value, and were sold not to be occupied by the buyers but to be sold again at higher prices."

This speculation had to have its end, as had the tulip craze and the South Sea bubbles in Europe, and the boom period from 1791 to 1809 in this country, and for the same reason—loss of confidence in the continuance of speculative values. The end came in 1837, and what Mr. Shepard wrote of it in his Martin Van Buren, half a century later and twenty years ago, applies with wonderful exactness to conditions now. "Nature's vital and often hidden truth," he wrote, "that value depends upon labor, could no longer be kept secret by a few wise men. The suspicion soon arose that there was not real and available value to meet the demands of nominal value. The suspicion was soon bruited among the less as well as the more wary. * * * To many the crisis seemed merely a financial or even a great banking episode. Many friends of the Administration loudly cried that the disaster arose from the treachery of the banks in suspending. Many of its enemies saw only the normal fruit of administrative blunders, first in recklessness, and the last in heartless indifference. To most Americans, whatever their differences, the explanation of this profound and lasting disturbance seemed to lie in the machinery of finance, rather than in the deeper facts of the physical wealth and power of the trading classes."

As Mr. Shepard goes on to explain with considerable definiteness, these deeper facts could be generalized as loss of confidence in speculative land values.

THE FOURTH AMERICAN DEPRESSION.

Like thunder from a clear sky came the panic of 1857, the fourth in the American series of great depressions. It was heralded by the failure of one of the oldest banking institutions in the country—the Ohio Life Insurance and Trust Company—an institution which had weathered the destructive storm of 1837. But the same conditions that made the depression of 1837 inevitable had been gathering below the financial horizon long before the demoralizing thunderburst of 1857.

The industrial situation had been improving since 1842. Railroad building had greatly increased, railroad rights of way, and the land, both agricultural and urban, which they served grew in value; gold fields were discovered, which gave prodigious opportunities to the adventurous for getting easy money; free trade had stimulated commerce with all the world. As a result speculation in land values of various kinds, from railroad lines and mining stocks to city lots, had become intense. If speculation was not so spectacular as in the period preceding the panic of 1837, it was nevertheless more widespread as to territory and more general as to population; and by 1857 it had reached a point at which confidence in speculative values was about exhausted. The real estate markets of the cities tell the story. In Chicago, for instance, a typical building site, worth $45,000 in 1856—its highest point until then—fell to $35,000 in 1857, and was down to $28,000 in 1861, after which it rose again. With the beginning of the civil war the depression of 1857 passed away, except at the South. Limited to its own resources, the South had no opportunity to recover industrially so long as the war lasted; but at the North the war itself revived industrial opportunities.

THE FIFTH AMERICAN DEPRESSION.

The activities which stimulated speculation at the North during the civil war extended over the nation when peace had come, and by 1873 conditions were similar to those that Mr. Shepard describes as having preceded the panic of 1837. Railroad stocks, mining stocks, and lands of every kind were in demand for reselling at a profit, and speculative values rose enormously. Land in Chicago was higher than it had ever been and higher than it got to be again until in the eighties. This was true also of New York and doubtless of all the other large cities and most of the towns. And landed interests were mortgaged and again mortgaged and sometimes mortgaged again and even again. Everybody was once more getting rich without working.

Until 1873 confidence in the continuance of speculative values was seemingly inexhaustible. But it had in fact been exhausted, and before the year was gone it had been lost. When Jay Cooke failed the whole speculative house of cards began to tumble and a period of hard times set in which lasted nearly ten years.

THE SIXTH AMERICAN DEPRESSION.

This period of hard times, the sixth in the weary series, a period well remembered yet for its economic suffering and terrors, was, like all the others, preceded by an era of confidence in the speculative values of land and caused by loss of that confidence.

Suburban lots had once more been platted and sold at high prices, to be again sold at higher prices. Once more railroad stocks, which represent land monopoly in some of its most important phases, and

many other stocks which represent it in more or less important phases, had become the tulip bulbs of another speculative generation. Again the prices of these monopoly privileges had expanded to the bursting point. Again there was a pin prick through some disarrangement of the financial machinery. Again there was a collapse and a long period of industrial distress—from 1893 to 1898.

Confidence had been excited in the speculative value of a monopolized object of general and intense desire. So long as this confidence lasted, everything seemed to boom; but when this confidence was lost, the business structure toppled. It was the tulip-bulb experience over again, but with real land monopoly instead of imaginary tulip-bulb monopoly as the subject of the craze—with land monopoly represented in building sites, in mining stocks, in railway franchises, and in consolidations that were based no more upon patents for inventions than upon rights to mineral and other landed opportunities.

THE SEVENTH AMERICAN DEPRESSION.

And so is it again to-day.

A year ago everyone "who was anyone," thought he was getting rich. Times were as flush in the United States as they had been in Holland at the height of the tulip craze, as they had been in France at the height of the Mississippi venture, as they had been in England at the height of the South Sea speculation, as they had been in the United States just before every previous depression, from the first to the sixth. Speculation was rife; monopolies were rising in value; land in promising situations invited investment at more than it was worth for use; fortunes were turned over and over in Wall street, where speculative interests in land have found their readiest market in the form of corporation stocks; business was lively at small profits for managers and a "living wage" for workers; and the happy-go-lucky optimist beamed.

But confidence began to sag here and there. Mr. Morgan's was probably the first to go, for he made no investments after 1906, but turned millions of his interests into gold and into demand loans tightly secured. Gradually the word spread that personal expenditures were falling off, that collections were "hard," that some investments were not so good as they had been. Then there came a flurry, a puff of wind on the summer seas of finance, which carried down some business craft and warned others to trim sail. That was in August. In October the storm broke.

When the banks, for no reason apparent to most business men, stopped cash payments, it was clear enough to all but the fatuous or the crooked that the depression was here. The banks did not close for lack of money. It was for lack of confidence in the value of the securities they held as collateral, securities which for the most part were titles in some form to speculative interests in some kind of land. They were in the plight of those money lenders of Amsterdam who had lent on the security of interests in tulip bulbs at 60 per cent of market value, and now saw tulip values receding.

There may be fluctuations before the worst comes, but it is all too evident that we have entered upon one of those periodical depressions of which the tulip craze is a whimsical instance and the South Sea bubbles were primitive examples, and which in this country may be catalogued as the depressions of 1784–1790, 1809–1819, 1837–1842, 1857–1862, 1873–1882, 1893–1898, and 1907–?—the final date of the last being as yet a secret of the industrial fates.

THE LESSON OF IT ALL.

Without waiting for the answer the fates may have to give, is there no lesson to learn from what we of this country have already experienced? How long shall we go on permitting that monopoly of our planet which furnishes the basis for the speculation which, cycle by cycle, gives us a period of unwholesome investment followed by one of deadly depression? How long shall we fasten our minds upon the surface symptoms of these periods with microscopic attention, while ignoring altogether their evident and only slightly hidden cause?

Mr. TAWNEY. Mr. Chairman, I now yield ten minutes to my colleague from Ohio [Mr. KEIFER].

Mr. KEIFER. Mr. Chairman, in the best of good nature I take the floor for a moment or two. We have witnessed an extraordinary condition of mind among the distinguished Democratic Members on the other side of the House this evening. Uniformly they have clapped their hands and cheered when the distinguished Member who has just been on the floor has demonstrated that in the election of 1904 the great Judge Parker, of New York, had run substantially behind Mr. Bryan in former elections, and especially did they cheer when they found that he had run behind very materially in Bryan's own State of Nebraska.

Mr. HEFLIN. Will the gentleman yield?

Mr. KEIFER. Yes.

Mr. HEFLIN. Does the gentleman know why they applauded?

Mr. KEIFER. I am satisfied with the fact that you are cheering, and cheering because your candidate of 1904 was not able to get as many votes as did your candidate in 1896.

Mr. HEFLIN. I want to say to the gentleman that it was because it answered the argument of those now who want us to sidetrack the great commoner of the people. [Applause on the Democratic side.]

Mr. KEIFER. Yes; but it seems that in the State of Nebraska in 1900, where there was a full and fair canvass, while they appealed to the people to sustain him because he was a son of the State, he was beaten by something over or about 10,000 votes in a fair election, and that is a sufficient answer to the suggestion that came from the other side.

Mr. OLLIE M. JAMES. Mr. Chairman, I would like to ask the gentleman from Ohio a question.

Mr. KEIFER. Very well.

Mr. OLLIE M. JAMES. Does the gentleman not think that perhaps you gentlemen on the other side have enough to look after to select your own nominee, without attempting to select our candidate? [Laughter on the Democratic side.]

Mr. KEIFER. I appreciate that remark, and I will allow the gentleman to make his speech in his own time. It won't take two people to make the little speech that I want to make. [Laughter.]

Mr. OLLIE M. JAMES. I only want to say that I read in the daily press that Mr. FORAKER stated that the President of the United States was prostituting the selection of officials under the Federal Government for the purpose of beating him out of the State of Ohio and giving it to Taft. Is that true or false? [Applause on the Democratic side.]

Mr. KEIFER. I am not responsible for what the gentleman reads in a newspaper or what Mr. FORAKER may say. Allow me to say that I want to remind the Democrats that when they cast the great votes for their now champion in 1896 and 1900 they were trying to force the country into free silver. I suppose now if they follow Bryan they will try to force on the country the idea that the Federal and State governments should own the railroads and public corporations, unless that is repudiated by him. There was a singular thing happened in the Democratic national convention in St. Louis in 1904.

Mr. HARDY. Will the gentleman answer a question?

Mr. KEIFER. In a moment. I wish to finish this statement first. In 1904 the distinguished leader [Mr. WILLIAMS] of the Democratic party on the other side of this House made an opening speech and pronounced the question of free silver dead, and said that we had reached the gold standard in this country.

Mr. HARDY. Now, will the gentleman allow me to ask him a question? [Cries of "Regular order!"]

Mr. KEIFER. After that Mr. Littleton, of New York, followed up in his nominating speech with the same declaration, saying that the silver question was settled, and through Divine Providence. Then what followed? The committee on resolutions appointed at that convention, with Mr. Bryan amongst them, was in session all night of the 7th of July, and in the morning reported a resolution declaring that the silver question was first and foremost and unsettled, and that the gold standard was not established, and reported that to the convention and that was adopted, and then what followed?

Mr. HARDY. Will the gentleman allow me to ask him a question? [Cries of "Regular order!"]

The CHAIRMAN. The gentleman declines to yield.

Mr. KEIFER. After the convention had followed Mr. Bryan with the free-silver platform and a declaration that the money question was not settled, its candidate, Judge Parker, of New York, sent to the convention, or to a member of the convention, Mr. Sheehan, this telegram:

> I regard the gold standard as firmly and irrevocably established, and shall act accordingly if the act of the convention to-day shall be ratified by the people. As the platform is silent on the subject, my views should be known to the convention, and if it be proved to be unsatisfactory to the majority, I request you to decline the nomination for me so that another man may be nominated before adjournment.

When this was read to the convention they bowed their heads and said to Mr. Bryan: "You are licked on your old question of free silver, and we were right in the beginning; the gold question is settled, and we will accept Judge Parker as our candidate." Now, that was the situation in which you put the poor old judge from New York and then undertook to elect him President of the United States, and it was for that reason that Judge Parker in his recent interview undertook to say that Mr. Bryan had not acted in good faith toward him or the result might have been different. Now, what is the question of the gentleman from Texas?

Mr. HARDY. I wanted to ask the gentleman if your President, at the other end of the Avenue, did not come about as near talking about the Government having to own the railroads if you did not control them as Mr. Bryan ever did?

Mr. KEIFER. I don't know. If the gentleman knows more than I do on that subject, I will take his testimony. I have arisen only to remind the gentlemen on the other side of this peculiar situation——

Mr. HARDY. Didn't your President McKinley wabble on the silver question about as much as anybody else?

Mr. KEIFER. Oh, no. I am ready to defend that position, because I think I followed along pretty close beside him in what you call the wabbling.

Mr. HARDY. Did you ever put a gold plank in your platform until after——

Mr. KEIFER. Well, I am not going to go into a discussion——

Mr. ANSBERRY rose.

Mr. KEIFER. Oh, let me finish my sentence first. One at a time.

Mr. ANSBERRY. I desire to ask the gentleman a question when he has finished.

Mr. KEIFER. Our President, our candidate for President, is not going around in the different States trying to boss legislative bodies and dictating as to whom they shall vote for for Senator.

Mr. HARDY. The question is, Didn't you stand for free silver up to 1896?

Mr. KEIFER. Who?

Mr. HARDY. The Republican party.

Mr. KEIFER. No.

Mr. HARDY. In 1888 didn't you have it in your platform?

Mr. KEIFER. No.

Mr. HARDY. Did you ever come out for a gold-standard plank?

Mr. KEIFER. We passed the act (March 4, 1900) fixing the gold standard, and have stood by it ever since. In 1896 we repudiated the old theory of free silver, and we never supported it in the sense in which the gentleman speaks. We did favor the utilization of silver to the extent that we could make a silver dollar as good as a gold dollar, and we have kept that promise up to the present hour. [Applause on the Republican side.] A silver dollar or a paper dollar is as good as a gold dollar anywhere in the United States to-day, in spite of the Democratic party. Now, I yield to the gentleman from Ohio [Mr. ANSBERRY].

Mr. ANSBERRY. Mr. Chairman, I desire to ask my distinguished fellow-Congressman from the great State of Ohio——

Mr. KEIFER. Have you got a Bible there?

Mr. ANSBERRY. No; I have the Republican bible—your platform of 1896.

Mr. KEIFER. Go ahead, it is all right.

Mr. ANSBERRY. I will ask you with reference to the question the gentleman just asked you, when you changed your position on the money question, if your platform in 1896 did not contain this plank, and if you then did not support this plank——

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. KEIFER. I supported it whatever it was. [Laughter.]

Mr. SHACKLEFORD. Mr. Chairman, I ask unanimous consent that the gentleman may have five minutes more.

Mr. LIVINGSTON. I yield five minutes' time to the gentleman, Mr. Chairman.

Mr. KEIFER. I will accept it because these gentlemen desire to talk.

Mr. ANSBERRY. I want to ask the gentleman from Ohio this question in reference to this plank:

The currency question. The Republican party is unswervingly for sound money—

[Applause on the Republican side.]

It caused the enactment of the law providing for the resumption of specie payments in 1879. Since that time every dollar has been as good as gold—

[Applause on the Republican side.]

We are unalterably opposed to every measure calculated to debase our currency—

[Applause on the Republican side.]

or to impair our credit. We are therefore opposed to the free coinage of silver—

[Applause on the Republican side.]

except by international agreement—

[Cries of "Good!"]

with the leading commercial nations of the world. We pledge ourselves to promote, and until such agreement can be obtained, the existing gold standard.

[Cries of "Good!" on the Republican side.]

Mr. MANN. Will the gentleman read the Democratic platform of the same year and see whether the Democratic side will applaud it as we have applauded ours?

Mr. ANSBERRY. Allow me to finish my question——

Mr. KEIFER. I know, but you must not take up all of my time.

Mr. ANSBERRY. Are you in favor of asset currency or rag money?

Mr. KEIFER. The man wants to know whether I am in favor of asset currency. Has that anything to do with the question I am discussing? I believe not. Let me say one word here. This platform that has just been read is good Republican doctrine to-day. [Applause on the Republican side.] If all the great commercial nations of the world, such as England, France, Germany, and other countries, would go to a silver basis with gold, the United States would go there to-day. I yield now to the gentleman from Pennsylvania.

Mr. OLMSTED. The gentleman from Nebraska [Mr. HITCHCOCK] seemed to have some hesitation about giving a comparison of the Bryan vote in 1900 as compared with 1896. I have had the curiosity to look it up, and I find in 1896 Bryan carried Nebraska by a plurality of 13,576. In 1900 McKinley carried Nebraska by 8,222. [Applause on the Republican side.] In 1904 Roosevelt carried it by 86,682, and if the percentage keeps increasing the candidate this year of the Republican party will carry it by about 100,000. [Applause on the Republican side.]

Mr. KEIFER. I would like to add we have some evidence that is of a more recent date of the disintegration of the great Bryanite-Democratic party by the election down in the State of Kentucky. [Applause on the Republican side.]

Mr. TAWNEY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CURRIER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 14766, the urgent deficency bill, and had directed him to report that it had come to no resolution thereon.

LEAVE OF ABSENCE.

By unanimous consent, Mr. KIMBALL was granted leave of absence of one week, on account of important business.

BILLS REPORTED FROM THE COMMITTEE ON WAYS AND MEANS.

Mr. PAYNE, from the Committee on Ways and Means, reported the following bills, which were read a first and second time and, with the accompanying reports, were referred to the Committee of the Whole House on the state of the Union and ordered to be printed:

H. R. 12420. A bill to extend immediate transportation privileges to the subport of Alburg, in the customs collection district of Vermont.

H. R. 9217. A bill amending sections 2533 and 2534 of Revised Statutes, so as to change the name of the Fairfield collection district.

H. R. 9218. A bill amending an act approved June 10, 1880, entitled "An act to amend the statutes in relation to immediate transportation of dutiable goods, and for other purposes."

H. R. 558. A bill to extend to the port of Chattanooga, Tenn., the privileges of immediate transportation of dutiable merchandise without appraisement.

ADJOURNMENT.

Mr. TAWNEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly, in pursuance to the order previously made, the House (at 5 o'clock p. m.) adjourned until Monday at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, the following executive communications were taken from the Speaker's table and referred as follows:

A letter from the assistant clerk of the Court of Claims, transmitting a copy of the findings filed by the court in the case of Charles S. Von Hoffen, administrator of estate of Henry Von Hoffen, against The United States—to the Committee on War Claims and ordered to be printed.

A letter from the Secretary of War, transmitting, with a copy of a letter from the chief of the Second Division, General Staff Corps, a report of documents distributed by the War Department during the fiscal year ended June 30, 1907—to the Committee on Printing and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions of the following titles were severally reported from committees, delivered to the Clerk, and referred to the several Calendars therein named as follows:

Mr. FOSTER of Indiana, from the Committee on the District of Columbia, to which was referred the bill of the House (H. R. 11776) for the opening of Jefferson and Fifth streets NW., District of Columbia, reported the same with amendments, accompanied by a report (No. 358), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. TAYLOR of Ohio, from the Committee on the District of Columbia, to which was referred the bill of the Senate (S.

2872) to amend an act to amend section 4 of an act entitled "An act relating to the Metropolitan police of the District of Columbia," approved February 28, 1901, reported the same with amendment, accompanied by a report (No. 366), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. MANN, from the Committee on Interstate and Foreign Commerce, to which was referred the bill of the House (H. R. 13430) to authorize the Chicago, Indianapolis and Louisville Railway Company to construct a bridge across the Grand Calumet River in the city of Hammond, Ind., reported the same without amendment, accompanied by a report (No. 359), which said bill and report were referred to the House Calendar.

Mr. LOVERING, from the Committee on Interstate and Foreign Commerce, to which was referred the bill of the House (H. R. 14032) to authorize the construction of a bridge across the Merrimac River at Tyngs Island, Mass., reported the same with amendments, accompanied by a report (No. 360), which said bill and report were referred to the House Calendar.

Mr. ADAMSON, from the Committee on Interstate and Foreign Commerce, to which was referred the bill of the House (H. R. 14040) to authorize the county of Ashley, State of Arkansas, and her citizens, to wit, S. R. Bulloch, Z. T. Hedges, and others to construct a bridge across Bayou Bartholomew, at a point above Morrell, in said county and State, the dividing line between Drew and Ashley counties, reported the same with amendments, accompanied by a report (No. 361), which said bill and report were referred to the House Calendar.

Mr. BRANTLEY, from the Committee on the Judiciary, to which was referred the bill of the House (H. R. 14282) to authorize the appointment of a deputy clerk at Big Stone Gap, Va., reported the same with amendment, accompanied by a report (No. 365), which said bill and report were referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. BUTLER, from the Committee on Naval Affairs, to which was referred the bill of the House (H. R. 4763) transferring Commander William Wilmot White from the retired to the active list of the Navy, reported the same without amendment, accompanied by a report (No. 362), which said bill and report were referred to the Private Calendar.

ADVERSE REPORTS.

Under clause 2 of Rule XIII, adverse reports were delivered to the Clerk and laid on the table, as follows:

Mr. PAYNE, from the Committee on Ways and Means, to which was referred the resolution of the House (H. Res. 3) requesting information from the Secretary of the Treasury relative to the amount of money deposited in national banks, reported the same adversely, accompanied by a report (No. 363), which said bill and report were laid on the table.

He also, from the Committee on Ways and Means, to which was referred the resolution of the House (H. Res. 2) requesting information from the Secretary of the Treasury as to the amount of money deposited in national banks in New York, reported the same adversely, accompanied by a report (No. 364), which said bill and report were laid on the table.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of bills of the following titles, which were thereupon referred as follows:

A bill (H. R. 10591) granting a pension to James Burke—Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 12706) granting a pension to William Kahn—Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 14732) granting a pension to William S. Sykes—Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 14240) to authorize the Secretary of the Interior to investigate and cancel the allotment of William Jondron, Yankton Sioux allottee, should it prove to be fictitious—Committee on the Public Lands discharged, and referred to the Committee on Indian Affairs.

A bill (H. R. 2892) for the relief of the estate of F. Z. Tucker, deceased—Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 2897) paying certain claims of G. W. Howland—Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 8629) granting a pension to David T. Kirby—Committee on Naval Affairs discharged, and referred to the Committee on Pensions.

A bill (H. R. 2176) granting a pension to Lottie B. Galleher—Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 14837) granting an increase of pension to William P. Wade—Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials of the following titles were introduced and severally referred as follows:

By Mr. HAYES: A bill (H. R. 15105) to provide campaign badges for officers, enlisted men, sailors, or marines who served honorably in the Spanish, Philippine, or China campaigns, and who were not in the United States service on January 11, 1905—to the Committee on Military Affairs.

By Mr. PATTERSON: A bill (H. R. 15106) to establish in the Department of Agriculture a bureau to be known as the Bureau of Public Highways, and to provide for national aid in the improvement of the public roads—to the Committee on Agriculture.

By Mr. HOBSON: A bill (H. R. 15107) to authorize the attendance of five midshipmen from the Philippine Islands at the United States Naval Academy—to the Committee on Naval Affairs.

Also, a bill (H. R. 15108) to authorize the attendance of five cadets from the Philippine Islands and one from Porto Rico at the United States Military Academy—to the Committee on Military Affairs.

By Mr. HAMMOND: A bill (H. R. 15109) for the erection of a public building at New Ulm, Minn.—to the Committee on Public Buildings and Grounds.

By Mr. EDWARDS of Georgia: A bill (H. R. 15110) providing for purchase of site and erection of public building at Millen, Ga.—to the Committee on Public Buildings and Grounds.

By Mr. PERKINS: A bill (H. R. 15111) to authorize the purchase of lands and buildings for the consular establishments in China, Japan, and Korea—to the Committee on Foreign Affairs.

By Mr. ALLEN: A bill (H. R. 15112) authorizing the extension of Rock Creek drive, in the District of Columbia—to the Committee on the District of Columbia.

By Mr. RHINOCK: A bill (H. R. 15113) for the relief of tobacco growers—to the Committee on Ways and Means.

By Mr. POWERS: A bill (H. R. 15114) to provide for the purchase of a site and the erection of a public building thereon at Old Town, in the State of Maine—to the Committee on Public Buildings and Grounds.

By Mr. COCKS of New York: A bill (H. R. 15115) to provide for the distribution of the Annotated Statutes and Constitution of the United States—to the Committee on the Judiciary.

By Mr. ACHESON: A bill (H. R. 15116) to forbid the transmission through the United States mail of any newspaper, circular, pamphlet, or publication of any kind containing any advertisement of any intoxicating liquors—to the Committee on the Post-Office and Post-Roads.

By Mr. GAINES of Tennessee: A bill (H. R. 15117) to allow the transfer of carriers from rural to city and from city to rural postal-delivery service—to the Committee on the Post-Office and Post-Roads.

By Mr. ALLEN: A bill (H. R. 15118) to establish a light station on Duck Island, Isles of Shoals, State of Maine—to the Committee on Interstate and Foreign Commerce.

By Mr. ELLIS of Oregon: A bill (H. R. 15119) to extend the time for reclaiming and making final proof of reclamation upon desert-land entries in Umatilla County, State of Oregon—to the Committee on the Public Lands.

By Mr. BEDE: A bill (H. R. 15120) providing for the drainage and reclamation of swamp and overflow lands in the State of Minnesota—to the Committee on the Public Lands.

Also, a bill (H. R. 15121) to provide for the construction of a revenue cutter of the first class for service in the waters of Lake Superior—to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 15122) for construction of additional light-house districts—to the Committee on Interstate and Foreign Commerce.

By Mr. CARY: A bill (H. R. 15123) to prohibit the giving to or receipt by public officers under the Constitution or laws

of the United States of any free frank or privilege for the transmission of messages by telegraph or telephone, to prevent discriminations in interstate telegraph and telephone rates, and fixing requirements governing the receipt and preservation of such messages—to the Committee on Interstate and Foreign Commerce.

By Mr. MOORE of Pennsylvania: A bill (H. R. 15124) providing for the adjustment and payment of the accounts of letter carriers arising under the eight-hour law—to the Committee on Claims.

Also, a bill (H. R. 15125) to provide for the unlading of vessels at night to facilitate the entry of vessels, and for other purposes—to the Committee on Ways and Means.

By Mr. PEARRE: A bill (H. R. 15126) granting a pension of $30 per month to all honorably discharged soldiers and sailors who served at least ninety days in the Army or Navy of the United States during the war with Mexico, and who have or may reach the age of 70 years—to the Committee on Pensions.

By Mr. STEENERSON: Resolution (H. Res. 194) requesting information from the President of the United States relative to rules of the Civil Service Commission on the subject of employment of deaf persons in the civil service—to the Committee on Reform in the Civil Service.

By Mr. MILLER: Resolution (H. Res. 195) for the payment of an index clerk in the document room—to the Committee on Accounts.

By Mr. RODENBERG: Resolution (H. Res. 196) for the payment of a certain sum of money to the assistant superintendent of the House document room—to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. ACHESON: A bill (H. R. 15127) granting an increase of pension to Philip Crowl—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15128) granting an increase of pension to Mary Cook—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15129) granting a pension to Jane McGittigen—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15130) granting an increase of pension to John B. Shallenberger—to the Committee on Invalid Pensions.

By Mr. ADAIR: A bill (H. R. 15131) granting a pension to Lovina B. Chase—to the Committee on Invalid Pensions.

By Mr. ANSBERRY: A bill (H. R. 15132) granting an increase of pension to William Johnson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15133) granting an increase of pension to John F. Swaney—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15134) to remove the charge of desertion from the record of Burdett J. Lamson—to the Committee on Military Affairs.

By Mr. BARCLAY: A bill (H. R. 15135) granting an increase of pension to John W. Lucore—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15136) granting an increase of pension to Richard J. Gibbs—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15137) granting an increase of pension to Fenemore Ames—to the Committee on Pensions.

By Mr. BONYNGE: A bill (H. R. 15138) granting an increase of pension to Hannah E. Simms—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15139) granting an increase of pension to James Markham—to the Committee on Invalid Pensions.

By Mr. BRICK: A bill (H. R. 15140) for the relief of administratrix de bonis non of William R. Mason, deceased—to the Committee on War Claims.

By Mr. CALDWELL: A bill (H. R. 15141) to remove the charge of desertion from the record of John C. Berry—to the Committee on Military Affairs.

By Mr. CARLIN: A bill (H. R. 15142) granting a pension to Sophia C. Hillery—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15143) for the relief of Robert D. Embry—to the Committee on War Claims.

By Mr. CLARK of Missouri: A bill (H. R. 15144) granting an increase of pension to John J. Fields—to the Committee on Invalid Pensions.

By Mr. COCKRAN: A bill (H. R. 15145) for the relief of Robert Callan—to the Committee on Military Affairs.

By Mr. COCKS of New York: A bill (H. R. 15146) for relief of Gottlob Schlecht and heirs and legal representatives of William Bindhammer and Valentine Brasch—to the Committee on Claims.

By Mr. CURRIER: A bill (H. R. 15147) granting an increase of pension to William Williamson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15148) granting an increase of pension to Frederick R. Wright—to the Committee on Invalid Pensions.

By Mr. DE ARMOND: A bill (H. R. 15149) granting an increase of pension to John Noble—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15150) granting an increase of pension to George A. Shephard—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15151) granting an increase of pension to James M. Pickett—to the Committee on Invalid Pensions.

By Mr. DRISCOLL: A bill (H. R. 15152) granting an increase of pension to Oran D. Bates—to the Committee on Invalid Pensions.

By Mr. ELLIS of Oregon: A bill (H. R. 15153) granting an increase of pension to Marvin E. Payne—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15154) granting an increase of pension to John W. Boals—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15155) granting an increase of pension to Charles G. Jenkins—to the Committee on Invalid Pensions.

By Mr. ESCH: A bill (H. R. 15156) granting an increase of pension to Frank Spencer—to the Committee on Pensions.

By Mr. FERRIS: A bill (H. R. 15157) for the relief of Rufus L. King—to the Committee on Claims.

Also, a bill (H. R. 15158) granting an increase of pension to Francis S. Fletcher—to the Committee on Invalid Pensions.

By Mr. FOSTER of Vermont: A bill (H. R. 15159) granting an increase of pension to Charles H. Wakefield—to the Committee on Pensions.

By Mr. FULTON: A bill (H. R. 15160) for the relief of F. Edwena Willis—to the Committee on War Claims.

By Mr. GARDNER of Massachusetts: A bill (H. R. 15161) granting an increase of pension to Sarah R. Merritt—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15162) to correct the military record of William J. Ahern, alias James Ahern—to the Committee on Military Affairs.

By Mr. GARRETT: A bill (H. R. 15163) to amend and correct war records so as to muster in and muster out of service in United States Army William B. Williams, of Weakley County, Tenn., and to grant to him an honorable discharge—to the Committee on Military Affairs.

By Mr. GILLESPIE: A bill (H. R. 15164) granting an increase of pension to Tennessee Williams—to the Committee on Pensions.

By Mr. GOEBEL: A bill (H. R. 15165) granting an increase of pension to Henry Haaf—to the Committee on Invalid Pensions.

By Mr. HALL: A bill (H. R. 15166) granting an increase of pension to Martha P. Loomis—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15167) granting an increase of pension to Titus W. Allen—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15168) granting a pension to Rhoda Anderson—to the Committee on Invalid Pensions.

By Mr. HAMLIN: A bill (H. R. 15169) to correct the military record of Rudolph Kraut—to the Committee on Military Affairs.

By Mr. HAMILTON of Michigan: A bill (H. R. 15170) granting an increase of pension to Edward J. Disbrow—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15171) granting an increase of pension to Albert B. Shirts—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15172) granting an increase of pension to David S. Arnold—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15173) granting an increase of pension to Byron Fisher—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15174) granting a pension to Frank Mead—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15175) granting a pension to Mary A. Dawes—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15176) for the relief of Warren Wright—to the Committee on Military Affairs.

Also, a bill (H. R. 15177) for the relief of Samuel Lenharr—to the Committee on Military Affairs.

By Mr. HELM: A bill (H. R. 15178) for the relief of Madison County, Ky.—to the Committee on Claims.

By Mr. HULL of Tennessee: A bill (H. R. 15179) granting an increase of pension to Martha E. McDonald—to the Committee on Pensions.

By Mr. JONES of Virginia: A bill (H. R. 15180) granting an increase of pension to Adam Shetzline—to the Committee on Invalid Pensions.

By Mr. JONES of Washington: A bill (H. R. 15181) to remove the charge of desertion from the military record of Levi Wright—to the Committee on Military Affairs.

By Mr. KENNEDY of Iowa: A bill (H. R. 15182) granting an increase of pension to Madison B. Butler—to the Committee on Invalid Pensions.

By Mr. KÜSTERMANN: A bill (H. R. 15183) authorizing the Secretary of the Interior to issue patents in fee to the Protestant Episcopal Church for certain lands in Wisconsin set apart for the use of the said church for missionary purposes among the Oneida Indians—to the Committee on the Public Lands.

By Mr. LAFEAN: A bill (H. R. 15184) for the relief of Daniel B. Miller, United States Army, retired—to the Committee on War Claims.

By Mr. LANDIS: A bill (H. R. 15185) granting an increase of pension to Thomas L. Sims—to the Committee on Invalid Pensions.

By Mr. LANGLEY: A bill (H. R. 15186) granting an increase of pension to James W. Mollett—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15187) granting a pension to Woodford M. Shoemaker—to the Committee on Invalid Pensions.

By Mr. MARSHALL: A bill (H. R. 15188) granting an increase of pension to W. H. H. Mallory—to the Committee on Invalid Pensions.

By Mr. LASSITER (by request): A bill (H. R. 15189) for the relief of George L. Watkins, Bettie A. Hamilton, Junius F. Watkins, Louisa J. Jones, and Lottie E. Kidd—to the Committee on War Claims.

Also, a bill (H. R. 15190) to carry out the findings of the Court of Claims in the case of Susan R. Jones, administratrix—to the Committee on War Claims.

By Mr. LLOYD: A bill (H. R. 15191) granting an increase of pension to Thomas H. Jones—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15192) granting an increase of pension to Thomas J. Walker—to the Committee on Invalid Pensions.

By Mr. LOUD: A bill (H. R. 15193) granting an increase of pension to Milo Brewster—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15194) granting an increase of pension to Daniel D. Kingsbury—to the Committee on Invalid Pensions.

By Mr. McLAIN: A bill (H. R. 15195) for the relief of Hugh M. Brown, executor of Andrew Brown, deceased, late of Natchez, Miss.—to the Committee on War Claims.

By Mr. MOON of Tennessee: A bill (H. R. 15196) granting an increase of pension to Job S. Driggs—to the Committee on Invalid Pensions.

By Mr. OLMSTED: A bill (H. R. 15197) granting an increase of pension to Adam J. Stahler—to the Committee on Invalid Pensions.

By Mr. PAYNE: A bill (H. R. 15198) granting an increase of pension to Sidney S. Smith—to the Committee on Invalid Pensions.

By Mr. PEARRE: A bill (H. R. 15199) granting an increase of pension to Jacob H. Mose—to the Committee on Invalid Pensions.

By Mr. PERKINS: A bill (H. R. 15200) granting a pension to Arthur E. Prager—to the Committee on Pensions.

By Mr. PUJO: A bill (H. R. 15201) for the relief of the heirs of Daniel Goos, deceased—to the Committee on War Claims.

By Mr. RHINOCK: A bill (H. R. 15202) granting an increase of pension to Julius Walker—to the Committee on Invalid Pensions.

By Mr. ROBINSON: A bill (H. R. 15203) for the relief of J. F. Steel—to the Committee on Invalid Pensions.

By Mr. SHERLEY: A bill (H. R. 15204) granting an increase of pension to Lucy A. Wilson—to the Committee on Pensions.

By Mr. SMITH of Michigan: A bill (H. R. 15205) granting an increase of pension to Henry W. Barnard—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15206) granting an increase of pension to Henry P. Martin—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15207) granting an increase of pension to Jerome C. Walton—to the Committee on Invalid Pensions.

By Mr. SPARKMAN: A bill (H. R. 15208) granting an increase of pension to Olinda A. Darby—to the Committee on Pensions.

By Mr. STAFFORD: A bill (H. R. 15209) granting a pension to George R. Wolf—to the Committee on Pensions.

By Mr. TALBOTT: A bill (H. R. 15210) granting a pension to "Ferdinand" Williams—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15211) granting a pension to Margaret Ann Easton—to the Committee on Invalid Pensions.

By Mr. VOLSTEAD: A bill (H. R. 15212) granting an increase of pension to Newton K. Andrew—to the Committee on Invalid Pensions.

By Mr. WALLACE: A bill (H. R. 15213) granting an increase of pension to E. T. Arnold—to the Committee on Invalid Pensions.

By Mr. WATKINS: A bill (H. R. 15214) to renew and extend certain letters patent—to the Committee on Patents.

By Mr. CRAWFORD: A bill (H. R. 15215) granting an increase of pension to Elizabeth Leopord—to the Committee on Pensions.

Also, a bill (H. R. 15216) granting an increase of pension to Isaac Holcomb—to the Committee on Invalid Pensions.

By Mr. BENNET of New York: A bill (H. R. 15217) granting an increase of pension to Emma Anderson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 15218) for the relief of the sureties on the official bonds of the late Cornelius Van Cott—to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, the following petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER: Petitions of Frederick A. Riehle, of Philadelphia, Pa., for Appalachian and White mountains reservation bill; also American Institute of Electrical Engineers, for forest reserves to preserve the watersheds—to the Committee on Agriculture.

Also, petition of J. J. Fishburn, of Chicago, Ill., and Joseph Volter, of Elgin, Ill., for a volunteer officers' retired list—to the Committee on Military Affairs.

By Mr. ACHESON: Papers in accord with any legislation against use of the mails for papers containing advertisements of intoxicating liquors—to the Committee on the Judiciary.

By Mr. ASHBROOK: Paper to accompany bill for relief of Eliza Wells—to the Committee on Pensions.

Also, paper to accompany bill for relief of Robert W. Pyle—to the Committee on Invalid Pensions.

By Mr. ANSBERRY: Petition of Farmers' Institute held at Oakwood January 21, 1908, for a postal savings bank—to the Committee on the Post-Office and Post-Roads.

By Mr. BENNET of New York: Paper to accompany bill for relief of Emma Anderson—to the Committee on Invalid Pensions.

Also, petition of Woman's Union Missionary Society of the District of Columbia, for a Sunday-rest law for the District—to the Committee on the District of Columbia.

Also, paper to accompany bill for relief of the sureties on the bond of Cornelius Van Cott—to the Committee on Claims.

By Mr. BURLEIGH: Petition of Frank H. Jones and others, of China, Me., against use of mails for liquor dealers' advertisements—to the Committee on the Post-Office and Post-Roads.

By Mr. CALDER: Petition of Bank Depositors' Insuranee Company, against amendment of District Code of Laws regarding financial institutions—to the Committee on the District of Columbia.

Also, petition of Savannah (Ga.) Pilots' Association, against H. R. 4771 (Littlefield bill)—to the Committee on the Merchant Marine and Fisheries.

By Mr. CAULFIELD: Petition of Missouri State Federation of Labor, of Sedalia, Mo., against United States bands competing against civilian musicians—to the Committee on Naval Affairs.

By Mr. COOK of Pennsylvania: Petition of Civil Service Reform Association of Pennsylvania, disapproving of method of selecting census employees—to the Committee on Reform in the Civil Service.

By Mr. DAVIS of Minnesota: Paper to accompany bill for relief of Roswell L. Nason—to the Committee on Invalid Pensions.

Also, petition of Commercial Travelers' Congress of San Francisco, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. DAWSON: Petition of Commercial Club of Des Moines, Iowa, for S. 27, fixing pay of Army and Navy, etc.—to the Committee on Naval Affairs.

Also, petition of Commercial Travelers' Congress, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of citizens of the District of Columbia, for control of the street-railway lines by the District Commissioners, etc.—to the Committee on the District of Columbia.

By Mr. DE ARMOND: Paper to accompany bill for relief of Eleanor E. Wells—to the Committee on Invalid Pensions.

By Mr. DRAPER: Petition of Bank Depositors' Insurance Company, of the District of Columbia, against amendment of District Code of Laws as regards financial institutions—to the Committee on the District of Columbia.

By Mr. DUNWELL: Petition of Bank Depositors' Insurance Company, of the District of Columbia, against amendment of the District Code of Laws as regards financial institutions—to the Committee on the District of Columbia.

Also, petition of American Institute Electrical Engineers, for forest preservation in the interest of the water powers—to the Committee on Agriculture.

Also, petition of Government Town-site Protective Association, of McCurtain, Okla., for investigation of the Segregated Coal Land Settlers' Association—to the Committee on the Public Lands.

By Mr. ELLIS of Oregon: Petition of Commercial Club of Eugene, Oreg., for appropriation for public buildings in Eugene, Oreg.—to the Committee on Public Buildings and Grounds.

By Mr. ESCH: Paper to accompany bill for relief of Rundi E. Johnson—to the Committee on Pensions.

Also, paper to accompany bill for relief of Frank P. Spencer—to the Committee on Pensions.

By Mr. FERRIS: Paper to accompany bill for relief of Mrs. Martha A. Simons—to the Committee on Pensions.

By Mr. FLOYD: Paper to accompany bill for relief of Amos W. Littlejohn—to the Committee on Invalid Pensions.

By Mr. FORNES: Paper to accompany bill for relief of Bridget Murphy—to the Committee on Invalid Pensions.

By Mr. FOSTER of Vermont: Petition of George F. Earle and 49 other citizens of Berkeley, Cal., for a change in rules governing Chinese-exclusion laws as relates to excepted classes of Chinese immigrants—to the Committee on Immigration and Naturalization.

By Mr. GARRETT: Paper to accompany bill for relief of William B. Williams—to the Committee on Military Affairs.

By Mr. GOEBEL: Petition of Local Union No. 5, of the stereotypers of the International Stereotypers and Electrotypers' Union, of Cincinnati, Ohio, for removal of duty on white paper, wood pulp, etc.—to the Committee on Ways and Means.

By Mr. GOULDEN: Petition of Savannah (Ga.) Pilots' Association, against H. R. 4771 (Littlefield bill)—to the Committee on the Merchant Marine and Fisheries.

By Mr. GRAHAM: Paper to accompany bill for relief of Mrs. Annie L. Bocking—to the Committee on Invalid Pensions.

Also, petition of Samuel Morton and others, favoring H. R. 11562, restoring to Stevens Institute of Technology inheritance tax of $45,750—to the Committee on Claims.

Also, petition of Civil Service Reform Association, against method of appointing census employees—to the Committee on Reform in the Civil Service.

Also, petition of Paul Coleman, against shipment of liquor into prohibition States—to the Committee on the Judiciary.

By Mr. HAYES: Petitions of San Francisco Commercial Travelers' Congress, and the Morgan Hill (Cal.) Mercantile Company, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of citizens of San Francisco, Cal., against extension of the right of naturalization and in favor of a law to exclude oriental laborers—to the Committee on Immigration and Naturalization.

By Mr. HAMILTON of Michigan: Petition of citizens of St. Joseph County, Mich., favoring the Sherwood pension bill—to the Committee on Invalid Pensions.

Also, petition of members of the Thursday Club, of St. Joseph, Mich., for White Mountains and Appalachian forest reserve—to the Committee on Agriculture.

Also, petitions of citizens of Saugatuck, Business Men's Associations of South Haven and Berrien County, and Pomona Grange, No. 1, of Berrien Center, all in the State of Michigan, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. HEPBURN: Petition of College Springs Presbytery, of Iowa, for legislation against polygamy—to the Committee on the Judiciary.

By Mr. HINSHAW: Paper to accompany bill for relief of Mortimer V. Hill—to the Committee on Invalid Pensions.

By Mr. JONES of Washington: Petition of retail merchants of Spokane, Wash., against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. KELIHER: Petition of board of trustees of the New York State Soldiers' Home, for restoration of the canteen at Soldiers' Homes—to the Committee on Military Affairs.

By Mr. KNOPF: Petition of Charles G. Howell and 40 others, for repeal of section 3 of service-pension act of February 6, 1907, against Department attorneys' fees for securing pensions—to the Committee on Invalid Pensions.

Also, petitions of Rev. Charles M. Morton and 26 others, of Oak Park, River Forest, and Chicago; J. A. Marshall and 49 others, of La Grange; E. S. Conway and 17 citizens of Oak Park and Chicago; F. D. Collins and 21 citizens of Cook County; J. C. Irey and 63 citizens of Cook County; J. A. Rankin and 63 citizens of Cook County, and E. G. Cooley and 58 members of the Board of Trade of Chicago, for a volunteer officers' retired list—to the Committee on Military Affairs.

By Mr. LAFEAN: Petition of residents of York County, Pa., for remedial legislation for the dairy interests—to the Committee on Agriculture.

Also, petition of T Square Club, of Philadelphia, indorsing the location of the Grant Memorial at Washington, D. C., as proposed by the Park Commissioners' plan—to the Committee on the Library.

Also, paper to accompany bill for relief of Jacob H. Dewees—to the Committee on Invalid Pensions.

By Mr. LITTLEFIELD: Petition of citizens of Canton, Me., for a volunteer officers' retired list—to the Committee on Military Affairs.

By Mr. LLOYD: Petition of Paddy Shields Post, Grand Army of the Republic, of Clarence, Mo., for the Sherwood pension bill—to the Committee on Invalid Pensions.

Also, petition of Typographical Union of Hannibal, Mo., for removal of duty on white paper, etc.—to the Committee on Ways and Means.

By Mr. MADDEN: Petition of John H. Garmley and 60 others, for the repeal of section 3 of service-pension act of February 6, 1907, against Department attorneys accepting fees for securing pensions—to the Committee on Invalid Pensions.

Also, papers to accompany H. R. 15070—to the Committee on Claims.

By Mr. MOON of Tennessee: Paper to accompany bill for relief of Job S. Driggs—to the Committee on Invalid Pensions.

By Mr. NYE: Petition of Minneapolis Council, No. 63, United Commercial Travelers' Association, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. OLCOTT: Paper to accompany bill for relief of Frederick Spackman—to the Committee on Invalid Pensions.

By Mr. PATTERSON: Petition of State Baptist Convention of South Carolina, for legislation preventing issuance of United States licenses in States that have adopted prohibition and the importation of alcoholic liquors into such Territories—to the Committee on the Judiciary.

By Mr. PAYNE: Paper to accompany bill for relief of Conrad Rupert—to the Committee on Invalid Pensions.

By Mr. PRINCE: Petition of citizens of Quincy, Ill., against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. REEDER: Petition of Commercial Club of Topeka, Kans., against permitting railway companies raising rates without authority of the Interstate Commerce Commission—to the Committee on Interstate and Foreign Commerce.

By Mr. REYNOLDS: Petition of Second United Brethren Church of Altoona, Pa., for the suppression of polygamy—to the Committee on the Judiciary.

By Mr. SABATH: Petition of American Institute of Electrical Engineers, for forest preservation in the interest of water powers—to the Committee on Agriculture.

By Mr. SHEPPARD: Papers to accompany bills for relief of David H. Hopkins, Samuel J. Mapes, and Martha C. Pace—to the Committee on Invalid Pensions.

By Mr. SHERLEY: Paper to accompany bill for relief of estate of Isaac L. Hyatt—to the Committee on War Claims.

By Mr. SPERRY: Petition of Typographical Union No. 47, for removal of duty on white paper, pulp, etc.—to the Committee on Ways and Means.

Also, petition of citizens of Connecticut, for a volunteer officers' retired list—to the Committee on Military Affairs.

By Mr. WALLACE: Paper to accompany bill for relief of E. T. Arnold—to the Committee on Invalid Pensions.

By Mr. WOOD: Petition of Edwin S. Lorsch, E. A. Uehling, F. E. Idell, William C. Ludlow, H. B. Cross, Alfred N. Ernst, John C. Percy, and I. F. Wortendyke, favoring passage of H. R. 11562, for repayment of the collateral inheritance tax, amounting to $45,759, to the Institute of Technology of Hoboken—to the Committee on Claims.